













# A Living Wage

BY

JOHN A. RYAN, D.D., LL.D.

PROFESSOR OF MORAL THEOLOGY AND INDUSTRIAL ETHICS AT  
THE CATHOLIC UNIVERSITY OF AMERICA; PROFESSOR OF  
POLITICAL SCIENCE AT TRINITY COLLEGE; AUTHOR OF  
"DISTRIBUTIVE JUSTICE," "ALLEGED SOCIALISM OF  
THE CHURCH FATHERS," "THE CHURCH AND  
SOCIALISM AND OTHER ESSAYS"; JOINT AU-  
THOR WITH MORRIS HILLQUIT OF "SO-  
CIALISM: PROMISE OR MENACE?"

*REVISED AND ABRIDGED  
EDITION*

WITH AN INTRODUCTION BY  
RICHARD T. ELY, Ph.D., LL.D.

New York  
THE MACMILLAN COMPANY  
1920

*All rights reserved*

Copyright

**Nihil Obstat.**

JOHN F. FENLON, S.T.D.,  
*Censor Deputatus.*

**Imprimatur.**

JAMES CARDINAL GIBBONS,  
*Archbishop of Baltimore*

COPYRIGHT, 1906,  
BY THE MACMILLAN COMPANY.

Set up and electrotyped. Published April, 1906. Reprinted  
April, 1908; October, 1910; March, 1912; August, 1915.

REVISED AND ABRIDGED EDITION,  
COPYRIGHT, 1920,  
BY THE MACMILLAN COMPANY.

Norwood Press  
J. S. Cushing Co. — Berwick & Smith Co.  
Norwood, Mass., U.S.A.

JAN 22 1920

©CL.A559472



## PREFACE OF REVISED AND ABRIDGED EDITION

The present volume is little more than half as large as the first edition of this work. The first two chapters of the original edition have been almost entirely omitted because part of the subject matter is no longer as timely as it was in 1906, while the remainder is not absolutely essential. For similar reasons the seven chapters forming the third section of the work as it first appeared, have been left out of the present edition. In the ten chapters that have been retained, a few changes have been made, either for the sake of brevity or in order to bring certain statistical and other statements up to date. In its revised and abridged form, the work is intended primarily for those who wish to obtain a comprehensive idea of the subject in the smallest possible compass. The writer hopes that it will be found to contain nothing superfluous, and yet to embrace everything that the average reader cares to know concerning the ethical, economic and legal aspects of the living wage question.

“A Living Wage” was the first considerable study of the subject published in English. It was one of the first publications in any language to advocate the establishment of a minimum living

## A LIVING WAGE

wage by law. To-day the doctrine that the laborer has a moral claim to at least a decent living wage is almost universally accepted by all intelligent and disinterested persons, while the legal minimum wage has found its way into the statute books of countries in three continents. Nevertheless, there is still much hard work to be done before the principle can be fully realized in our industrial system. The present edition is offered to the public in the hope that it may make some small contribution to that desirable outcome.

JOHN A. RYAN.

THE CATHOLIC UNIVERSITY OF AMERICA,  
October, 1919.

## INTRODUCTION

I am glad to have an opportunity to point out briefly the significance of Professor Ryan's book, as it impresses itself on my mind. We have had repeated efforts to stimulate the conscience of the Christian world to a keener appreciation of its duties to the men, women and children who toil for wages. Christian socialism, so-called, has been presented frequently by men of various religious denominations. A greater sensitiveness to right and wrong in economic affairs has undoubtedly been the result of this preaching of righteousness. Enlightenment has, however, not kept pace with good intention. On the contrary, nothing is more noticeable than the confusion of mind which very generally accompanies good intention. The "plain man" of whom we hear so much, has a feeling that our teachers and preachers are vague and indefinite. Is there after all such a thing as a Christian doctrine of wages? The writer of this book, a priest in the Roman Catholic Church and a teacher in St. Paul Seminary, a theological school of that Church, presents to us in the following pages, a clear-cut, well-defined theory of wages, based upon his understanding of the approved doctrines of his religious body. There have

## A LIVING WAGE

been attempts in other lands to deduce from the teachings of this Church, clear and precise directions for our industrial life. We recall the works of Bishop von Ketteler of Mainz and the more conservative writings of Professor Charles Périn of the University of Louvain in Belgium. While Cardinal Manning of England some years ago startled the English-speaking world by his enunciation of the right of man to a subsistence as prior to the rights of property as a doctrine of the Church, and while Cardinal Gibbons in the United States has on several occasions expressed himself firmly and positively in regard to the rights of labor, the present work is, so far as I am aware, the first attempt in the English language to elaborate what may be called a Roman Catholic system of political economy. When I say, a Roman Catholic system of political economy, I mean an attempt to show exactly what the received doctrines of the Church signify in the mind of a representative Catholic when they are applied to the economic life. It strikes me as a meritorious performance at the present juncture to endeavor to express as precisely as may be what Christianity has to say about wages.

While members of other religious bodies, Christian and Jewish, cannot receive the doctrine of wages here set forth merely because it is assumed to rest on the approved teachings of the Roman Catholic Church, they are not precluded from an examination of this question: Does or does not this doctrine of wages rest upon broad Christian, religious and ethical foundations? It will be observed that Profes-

## INTRODUCTION

sor Ryan combines economic and ethical arguments with those derived from authority and that it is by no means impossible to receive arguments of the first class, while refusing adhesion to those of the second class. My own feeling then is that this book is to be welcomed as an attempt on the part of a religious teacher to get beyond vague and glittering generalities to precise doctrine, and to pass from appeals to sentiment to reasoned arguments.

While I have ventured in these few words to show what in my opinion is the significance of the present work, it is manifestly altogether beyond my province now and here to express any views of my own in regard to the correctness of its conclusions.

RICHARD T. ELY.

UNIVERSITY OF WISCONSIN,  
February, 1906.



## CONTENTS

CHAPTER	PAGE
I THE BASIS AND JUSTIFICATION OF RIGHTS . . .	3
II THE RIGHT TO SUBSISTENCE AND THE RIGHT TO A DECENT LIVELIHOOD . . . . .	27
III THE RIGHT TO AN INDIVIDUAL LIVING WAGE . .	41
IV THE RIGHT TO A FAMILY LIVING WAGE . . .	78
V A CONCRETE ESTIMATE OF A LIVING WAGE . .	91
VI THE OBLIGATION OF THE EMPLOYER . . . .	109
VII THE OBLIGATION OF THE LOAN-CAPITALIST, THE LANDOWNER, THE CONSUMER, AND THE MAN OF WEALTH . . . . .	130
VIII THE OBLIGATION OF THE LABORER . . . .	149
IX THE OBLIGATION OF THE STATE . . . . .	166
X SUMMARY AND CONCLUSION . . . . .	175





## A LIVING WAGE



## CHAPTER I

### THE BASIS AND JUSTIFICATION OF RIGHTS

The claim to a Living Wage is a right. Character and purpose of rights. Sense in which natural rights are absolute. Men's natural rights are equal in the abstract, but unequal in the concrete. They are based on the duty of pursuing self-perfection. Other methods of establishing their validity. The doctrine of natural rights incompatible with individualistic hedonism. The positivistic theory of rights means in the concrete that some lives are worth less than others. It has less theoretical weakness when stated in terms of Hegelianism. Fallacy of the popular argument against natural rights. The exaggeration of natural rights in the system of the Revolutionary philosophers. The doctrine as here advocated holds a middle ground between semi-anarchism and state absolutism.

The thesis to be maintained in this volume is that the laborer's claim to a Living Wage is of the nature of a *right*. This right is personal, not merely social: that is to say, it belongs to the individual as individual, and not as member of society; it is the laborer's personal prerogative, not his share of social good; and its primary end is the welfare of the laborer, not that of society. Again, it is a natural, not a positive right; for it is born with the individual, derived from his rational nature, not conferred upon him by a positive enactment. In brief, the

## A LIVING WAGE

right to a Living Wage is individual, natural and absolute.

A right in the moral sense of the term may be defined as an inviolable moral claim to some personal good. When this claim is created, as it sometimes is, by civil authority it is a positive or legal right; when it is derived from man's rational nature it is a natural right. All rights are means, moral means, whereby the possessor of them is enabled to reach some end. Natural rights are the moral means or opportunities by which the individual attains the end appointed to him by nature. For the present it is sufficient to say that this end is right and reasonable life. The exigencies of right and reasonable living, therefore, determine the existence, and number, and extent of man's natural rights. Just as his intellectual, volitional, sensitive, nutritive and motive faculties are the positive, or physical, agencies by which he lives and acts as a human being, so his natural rights are the *moral* faculties requisite to the same end. He cannot attain this end adequately unless he is regarded by his fellows as morally immune from arbitrary interference. They must hold themselves morally restrained from hindering him in the reasonable exercise of his faculties. His powers of intellect, will, sense, nutrition and motion will be of little use to him if his neighbors may licitly deprive him, whenever it may suit their convenience, of his external goods, or his liberty, or his members, or his life. In addition to his positive powers, he stands in need of those moral powers which give to his claim upon certain personal goods that char-

## JUSTIFICATION OF RIGHTS

acter of sacredness which restrains or tends to restrain arbitrary interference by his fellows.

Man's natural rights are absolute, not in the sense that they are subject to no limitations — which would be absurd — but in the sense that their validity is not dependent on the will of anyone except the person in whom they inhere. They are absolute in existence but not in extent. Within reasonable limits their sacredness and binding force can never cease. Outside of these limits, they may in certain contingencies disappear. If they were not absolute to this extent, if there were no circumstances in which they were secure against *all* attacks, they would not deserve the name of rights. The matter may be made somewhat clearer by one or two examples. The right to life is said to be absolute because no human power may licitly kill an innocent man as a mere means to the realization of any end whatever. The life of the individual person is so sacred that, as long as the right thereto has not been forfeited by the perverse conduct of the subject himself, it may not be subordinated to the welfare of any other individual or any number of individuals. Not even to preserve its own existence may the State directly and deliberately put an unoffending man to death. When, however, the individual is not innocent, when by such actions as murder or attempted murder he has forfeited his right to live, he may, of course, be rightfully executed by civil authority, or killed in self-defense by his fellow man. He may also be compelled to risk his life on behalf of his country, for that is a part of his duty; and he may

## A LIVING WAGE

with entire justice be deprived of life indirectly and incidentally, as when non-combatants are unavoidably killed in a city that is besieged in time of war. Again, the right to liberty and property are not absolute in the sense that the individual may have as much of these goods as he pleases and do with them as he pleases, but inasmuch as within reasonable limits — which are always determined by the essential needs of personal development — these rights are sacred and inviolable.

With respect to their natural rights, all men are equal, because all are equal in the rational nature from which such rights are derived. By nature every man is a person, that is, a rational, self-active, independent being. Every man is rational because endowed with the faculties of reason and will. His will impels him to seek the good, the end, of his being, and his reason enables him to find and adjust means to this end. Every man is self-active, inasmuch as he is master of his own faculties and able in all the essentials of conduct to direct his own actions. Every man is independent in the sense that he is morally complete in himself, is not a part of any other man, nor inferior to any man, either in the essential qualities of his being or in the end toward which he is morally bound to move. In short, every individual is an "end in himself," and has a personality of his own to develop through the exercise of his own faculties. Because of this equality in the essentials of personality, men are of equal intrinsic worth, have ends to attain that are of equal intrinsic importance, and consequently have equal

## JUSTIFICATION OF RIGHTS

natural rights to the means without which these ends cannot be achieved.)

Only in the abstract, however, are men's natural rights equal. In the concrete they are unequal, just as are the concrete natures from which they spring.<sup>1</sup> This is not to say that equality of rights is an empty abstraction, without any vital meaning or force or consequences in actual life. Men are equal as regards the *number* of their natural rights. The most important of these are the rights to life, to liberty, to property, to a livelihood, to marriage, to religious worship, to intellectual and moral education. These inhere in all men without distinction of person, but they have not necessarily the same *extension*, or content, in all. Indeed, proportional justice requires that individuals endowed with different powers should possess rights that vary in degree. For example, the right to a livelihood and the right to an education will include a greater amount of the means of living and greater opportunities of self-improvement in the cases of those who have greater needs and greater capacities. But in *every* case the natural rights of the individual will embrace a certain minimum of the goods to which these rights refer, which minimum is determined by the reasonable needs of personality. The rights that any person will possess in excess of this minimum will depend upon a variety of circumstances, individual and social. Hence, instead of saying that the nat-

<sup>1</sup> For an explanation of the distinction between abstract or specific and concrete or individual equality, see, Taparelli, "Droit naturel," nos. 354-363, and Cronin, "The Science of Ethics," vol. I, ch. XX.

## A LIVING WAGE

ural rights of all men are equal in the abstract but not in the concrete, it would perhaps be more correct, or at least less misleading, to describe them as equal in kind, number and sacredness, and in extension relatively to their particular subjects; but not in quantity nor in *absolute* content.

Such in bare outline is the theory of the character, purpose, and extent of natural rights. Do they really exist? Is the individual really endowed with moral prerogatives, inviolable claims, in virtue of which it is wrong, for instance, to take from him, so long as he is innocent of crime, his life or his liberty? Whence comes the validity and sacredness of these claims? The answers to these questions have already been briefly indicated in the statement of the *end* for which the claims exist. Natural rights are necessary means of right and reasonable living. They are essential to the welfare of a human being, a person. They exist and are sacred and inviolable because the welfare of the person exists—as a fact of the ideal order—and is a sacred and inviolable thing. It was Cicero who wrote: “*Fine in philosophia constituto, constituta sunt omnia.*” In problems of philosophy, when we have established the end we have established all things else. Let us look more deeply, then, into the scope and character of this end to which natural rights are but means.

Right and reasonable life, the welfare of the person, consist in the development of man's personality through the harmonious and properly ordered exercise of his faculties. He should subordinate his



## JUSTIFICATION OF RIGHTS

sense-faculties to his rational faculties; exercise his rational faculties consistently with the claims of his Creator and the reasonable demands of his fellows; and seek the goods that minister to the senses and the selfish promptings of the spirit in subordination to the higher goods, namely, those of the intellect and of the disinterested will. In a word, the supreme earthly goal of conduct is to know in the highest degree the best that is to be known, and to love in the highest degree the best that is to be loved. These highest objects of knowledge and love are God, and, in proportion to the degrees of excellence that they possess, His creatures. To prove that these moral and spiritual values are facts, we have only to appeal to the consciousness of any normally constituted human being. The average man has an abiding conviction that the rational faculties are higher, nobler, more excellent, of greater intrinsic worth than the sense-faculties; that consequently the goods of the mind are to be preferred to those of the senses; and that among the activities of the rational powers those dictated by disinterested love are intrinsically better than those which make for selfishness. These primary and general moral intuitions produce in the mind of the person who heeds them the conviction that it is not only reasonable but *obligatory* for him to pursue the path of conduct thus dimly outlined. The immediate objective basis of this obligation is the intrinsic superiority of the higher faculties, the infinite worth of God, and the essential sacredness of human personality. The ultimate source of the obligation

## A LIVING WAGE

is the Will of God ; just as the ultimate source of the distinction between the higher and lower faculties, activities, and goods is the Divine Essence ; and just as the ultimate source of the intuitions by which we perceive these distinctions is the Divine Reason.

Since, therefore, the individual is obliged to live a moral and reasonable life in the manner just described, the means to this end, *i.e.*, natural rights, are so necessary and so sacred that all other persons than the one in whom they reside are morally restrained from interfering with or ignoring them. The dignity of personality imposes upon the individual the duty of self-perfection ; he cannot fulfil this duty adequately unless he is endowed with natural rights. Such is the immediate basis of natural rights and the proximate source of their sacredness ; their ultimate source is to be found in the Reason and Will of God, who has decreed that men shall pursue self-perfection and that they shall not arbitrarily deprive one another of the means essential to this purpose.

This method of basing the individual's natural rights upon his duties is perhaps the one most commonly employed by those writers who hold individual perfection to be the immediate end and rule of conduct. According to another mode of reasoning, they rest, not upon the duties of their possessor, but upon those duties of other men toward him which are called *juridical*, that is, the "other-regarding" duties that cover goods which in the strict sense *belong* to him as his own. Thus the fulfilment of lawful contracts is a juridical duty, while assist-

## JUSTIFICATION OF RIGHTS

ing the needy is only a duty of charity. All juridical duties may be summed up in the command, "thou shalt not arbitrarily interfere with the external liberty of thy fellow man," for external liberty comprises all those opportunities of activity, acquisition and possession that are essential to the pursuit of reasonable self-perfection. Corresponding to and implied by these juridical duties in one man are those moral prerogatives in other men that we call natural rights. The foundation and source of these duties is that precept of the natural law (understanding by natural law that portion of God's eternal law which applies to human conduct and is written in the human reason) which enjoins men to respect the dignity of human personality in one another.<sup>1</sup>

This line of argument, however, suggests that not even the juridical duties of men are formally necessary as a basis and justification of natural rights. These duties are, indeed, imposed upon man by the natural law, but the reason why this particular precept of the law exists, as well as the reason that constrains us to believe that it does exist, is to be found in the intrinsic and inviolable worth of the individual. That is the ultimate basis — on this side of God — of both juridical duties and natural rights. To prove the existence of the latter, it seems, therefore, logically sufficient to show that because of his intrinsic dignity a person is morally *privileged* to pursue self-perfection, and his fellows are morally restrained from hindering his exercise of the priv-

<sup>1</sup> Cf. Cronin, *loc. cit.*

## A LIVING WAGE

ilege. Natural rights may be likened to the legal right by which a man holds a piece of land that he has bought from the State. His claim thereto is founded neither upon his duty to support his family (to which end the produce of the land may be assumed to be the necessary means) nor upon the obligation which binds his neighbors to leave him in undisturbed possession. Similarly, the individual's natural rights may be regarded as independent both of his own duties and of the duties which these rights occasion in his fellows.<sup>1</sup>

Finally, natural rights can be logically defended on the principles of what may be called intuitive hedonism. There are men who maintain that the supreme end and rule of conduct is universal happiness. By this phrase they mean, not "the greatest happiness of the greatest number," nor the general happiness of the group or of society, — all of which are equivalent in the concrete to the happiness of the majority — but the happiness of each and every human being. They insist that, since human happiness is the good of a person, it has *intrinsic worth*, is in itself a sacred thing, and that all individuals have, therefore, essentially equal claims to the opportunity of pursuing it. This doctrine is hedonistic, inasmuch as it makes happiness the ultimate end, and intuitive, inasmuch as it postulates not merely the desirableness of personal happiness, but the intrinsic worth of all human happiness. The late

<sup>1</sup> Cf. "The Theory of Morals," by Paul Janet, Book II, ch. IV, in which the author defends a doctrine very similar to the one just outlined, although he strangely calls a right a "responsibility."

## JUSTIFICATION OF RIGHTS

Professor Sidgwick held substantially this view, although he admitted that it contains an inherent contradiction.<sup>1</sup> For if the intuition of "rational benevolence" be acknowledged as logically sufficient to compel me to forego my own happiness for the greater happiness of others, then the ultimate end, rule and determinant of right action is no longer *my* happiness — which is the only "desirable consciousness" that can have any meaning for me — but conformity to the dictates of reason. In other words, *reason* assures me that human happiness is valuable *per se*, while all my aspirations and experiences tell me happiness is a good only in so far as it provides *me* with agreeable states of consciousness. If, however, the general principle be admitted in spite of its inherent weakness, a system of natural rights can be logically deduced therefrom.

All of these methods, therefore, posit as the ultimate earthly basis of the individual's natural rights the inherent sacredness of his personality. This is true even of the argument which derives rights from the duty of perfecting one's self; for this duty is itself founded upon the intrinsic worth of the person, specifically of his higher faculties. Hence we find that those who reject the doctrine of natural rights, and who reason logically, reject likewise the principle of the essential and absolute dignity of every human being. They either deny that anything in the universe possesses intrinsic worth, or assert that social welfare is the highest good. To

<sup>1</sup> See his "Methods of Ethics," Book III, chapters XIII and XIV; and Book IV, concluding chapter, 6th ed.

## A LIVING WAGE

the former class belong the believers in egoistic hedonism; to the latter, the social utilitarians and the Hegelians.

For those who maintain that the supreme end of life and rule of conduct is one's own happiness, there can, of course, be no such thing as a right in the *moral* sense of the term. There is no sacredness, no intrinsic worth, no obligation-compelling force in either the concept or the fact of happiness unqualified and divorced from all consideration of the dignity of personality. The person who refuses to seek his own happiness can be condemned as unwise but not as immoral. And if he is not, in any true sense of the word, under moral obligation to procure happiness for himself, neither is he bound by any sort of duty to respect or refrain from hindering the happiness of others. As there is no sacredness in the end — happiness — and none in the persons pursuing it, so there can be no sacredness in the means — those opportunities of activity that we call rights — and no obligation to respect them. In such a system individual rights have neither logical foundation nor intelligible meaning. Again, if personal happiness be the ultimate aim and criterion of reasonable conduct it is altogether fitting and reasonable that each man should interpret happiness in his own way, and strive to obtain it by whatever means seem to him best, regardless of such unreasonable and unfounded restraints as rights and obligations.

This purely egoistic hedonism seems to be completely and consistently accepted by only a very small

## JUSTIFICATION OF RIGHTS

minority of the world's thinkers. Even with them it is a merely speculative belief. In practice they reject or at least modify it, in common with the overwhelming majority of the men and women who live outside of lunatic asylums. A formal refutation of it in the interest of the doctrine of natural rights is, therefore, unnecessary. Of much greater importance for our contention is the theory that all rights are positive, that is, derived from society, and conferred upon the individual primarily for the benefit of society and only secondarily for the sake of the individual.<sup>1</sup> Individual rights are valid in

<sup>1</sup> In substance this theory seems to be held by a majority of the non-Catholics of our time who write on justice and political philosophy. Not all state it in the same language nor restrict the concrete rights of the individual to the same extent, but all accept the principle that the individual has no right which society may not in certain contingencies annul for its own welfare. The sources of the theory are chiefly: (1) writers who opposed the doctrines of the French Revolution, such as, Edmund Burke in "Reflections on the Revolution in France," and Joseph de Maistre in "Essai sur le principe générateur des constitutions politiques"; (2) juristic writers who, in opposition to the Eighteenth century teaching on natural rights, endeavored to place all rights on a basis of historical facts and development, the most prominent of whom were F. C. de Savigny in "System des roemischen Rechts," and F. C. Stahl in "Philosophie des Rechts"; (3) the Hegelian conception of the State as the highest manifestation of the Universal Reason and Will, the source of all rights, and the absolute end to which the individual must subordinate his particular aims and activity; see Hegel's "Grundlinien der Philosophie des Rechts," and Lasson's "System der Rechts-philosophie"; (4) and finally, the doctrine of evolutionist utilitarianism, which emphasizes the importance of race progress at the expense of the individual.

Some indications of common points in the last two sources will be found in chapter II of Ritchie's "Darwin and Hegel," while recent statements of the general positivistic theory of rights are contained in "Natural Rights,"



## A LIVING WAGE

so far as they do not hinder the social weal. "By himself," says Mackenzie, "a man has no right to anything whatever. He is a part of the social whole; and he has a right only to that which it is for the good of the whole that he should have."<sup>1</sup> In this view the social organism becomes an end in itself; and its good becomes the final goal and rule of human conduct. Now society is, indeed, something more than an abstraction, something more than the sum of its component individuals. And its function is not simply to guarantee equal liberty to all its members, in the sense of Immanuel Kant and Herbert Spencer. It is a real entity, a moral body, an organism, whose purpose is to safeguard the rights and promote to a reasonable degree the welfare of every one of its members. It is an organism only by analogy, however; not literally or physically. It is an organism inasmuch as its members are mutually dependent, and have diverse functions; inasmuch as it persists amid continuous changes in its membership, and will retain its identity after all its present members shall have perished; and inasmuch as its health is determined by the health of its members, and in turn reacts upon the latter. When this much has been said the analogy between society and

by the same author, in Hobson's "Social Problem," and in Willoughby's "Social Justice." Good presentations of the doctrine of natural rights defended in this chapter are made by Taparelli, "Droit naturel," and Cronin, "The Science of Ethics," I, xx. Finally Hegel's general concept of personality is successfully attacked in Andrew Seth's "Hegelianism and Personality," especially on pp. 67-69 and in the concluding chapter.

<sup>1</sup> "A Manual of Ethics," p. 296.



## JUSTIFICATION OF RIGHTS

a biological organism is about exhausted. Society is not an organism in the sense that it is a finality. Its members do not exist and function for its welfare; they possess intrinsic worth and sacredness. Hence it is not an organism in which the individual's personality is merged and lost, like the branch in the tree, to use the illustration of Hegel. Society has, indeed, rights that are distinct from the rights of the individuals composing it, and its scope and aims reach beyond the welfare of the men and women that live in it at any given time. It has the right, for example, to make war, which the individual has not; and to prevent the ruthless destruction of forests, which prohibition may be contrary to the interests and wishes of its present members. Nevertheless, every right that society possesses, every act that it performs, every assertion that it makes of its legitimate power over individuals, is ultimately for the sake of individuals. It cannot otherwise be justified, for it is not an end in itself.

Let us concede for the moment that society exists for its own sake, is its own highest good. All its powers, prerogatives and activities will be naturally used as a means to this end. Whenever individuals, however innocent of wrong doing, impede society's progress they are to be relentlessly blotted out of existence. Let us suppose that as a result of this social selection the general level of the race is much higher than it would have been had regard been paid to the "superstition" of natural rights. Society has been treated as an end in itself, and the result is a more excellent society.

## A LIVING WAGE

It must be evident that the individuals who have been removed to bring about this result could not reasonably have been expected to make the sacrifice willingly. They could not have been satisfied to efface themselves for the sake of society as distinct from its members, since this would be to die for an abstraction. Nor is it likely that any considerable number of them were willing to forego existence in order that the individuals who were left behind might enjoy a more complete existence in the improved society; for the real meaning of this situation is that the former have been used as mere instruments to the welfare of the latter. It is not reasonable to expect men to devote themselves completely to any other end than their own highest good, and a superior society cannot be the highest good for those who must be annihilated as a condition of its realization. They will very naturally prefer to run the risk of securing their own welfare in a less perfect social organization. There is no duty constraining one section of the community — not simply to risk their lives, as in a just war — but to submit to be killed by the social authority, in order that the surviving citizens may have the benefit of a more efficient State. The same statement may be made concerning any other of the individual's natural and essential rights. And if the individuals whose rights are treated as non-existent are neither willing nor bound by moral obligation to make the sacrifice, the State has certainly no right, no *moral* power, to treat them as a means pure and simple to the welfare of those of its members who are permitted to

## JUSTIFICATION OF RIGHTS

survive. For, juggle as we will with the terms "social utility" and "social welfare," talk as obscurely as we may about regarding the individual from the viewpoint of society, the true meaning of the assertion that the rights of the individual are derived from and wholly subordinate to society, is that the lives of those who are less useful to society are essentially inferior to the lives of those who are more useful. And not until those who reject natural rights have succeeded in proving that some human lives are less sacred, have less intrinsic worth, stand on a lower grade of being than others, can they indulge the hope of winning over any considerable number of thinkers to the contention that the individual — even the poorest and lowliest person that breathes — has no rights that are indestructible by society.

The positivist theory of rights becomes more formidable, at least at first sight, when it is stated in terms of Hegelianism. The question is no longer one between the relative interests and importance of the stronger, wiser and more virtuous citizens on the one hand, and of the weaker, less intelligent and more vicious on the other. Organized society, or the State, is in this system regarded as a good in itself, the highest manifestation of the Universal Reason, which is the only final reality. The all-important consideration, then, is to see that this highest embodiment of the Universal Reason or World-Spirit called the State, shall reach the fullest possible development. Compared with this purpose, the welfare of individuals, who are merely partic-

## A LIVING WAGE

ular and imperfect realizations of the one great reality, is insignificant. Their importance is analogous to that of the individual trees in a beautiful grove; the totality called the grove is the supreme end, to which the existence and condition of any particular tree is entirely subordinate. The rights of the individual are, therefore, derived from the State and intended for the greater glory of the State. The late Professor Ritchie, one of the ablest of the Hegelians who wrote in English, describes the rights and dignity of the human person thus: "Every human being may claim a right to be considered as such, because he *potentially* shares in the consciousness of the Universal Reason."<sup>1</sup> Each individual is, as it were, a receptacle of the Universal Reason, and derives therefrom all his worth and sacredness. When, consequently, the life or liberty of the individual begins to be an obstacle to the activity or unfolding of the Universal Reason, whenever the interests of the Universal Reason demand that any given individual should cease to embody it, he may lawfully be put to death, just as a diseased limb may be severed from the body, or a leaking pot be consigned to the scrap heap. If the Pantheistic basis of this deification of the State be accepted the theory of rights reared upon it is entirely logical. It may well be doubted, however, whether this blind, impersonal entity known as the Universal Reason seems to any considerable number of persons to have the moral authority requisite to oblige them to surrender their particular existence for its aggrandize-

<sup>1</sup> "Natural Rights," pp. 96, 97.

## JUSTIFICATION OF RIGHTS

ment. And of the few who may recognize the supreme rights of the Universal Reason, not all will acknowledge that its loftiest manifestation is to be found in the very fallible and very imperfect State in which they happen to live. An attempt to refute the metaphysical assumptions underlying the Hegelian theory of rights is, consequently, not much needed at this time.

One of the most frequent of the popular arguments against natural rights runs thus: All rights come into existence, become necessary, and obtain adequate protection only in society; hence they are derived from society, exist for a social end, and should be exercised chiefly for the social welfare. This presentation is vitiated by an incorrect analysis and by unwarranted inferences. Not all of man's rights require a social organization, or even social contact of any kind, in order that they should become existent. All that is necessary is that two men be alive at the same time. They may be thousands of miles apart, may not even know of each other's existence, yet each will possess in full validity such natural rights as those of life, liberty and property, and will be morally restrained from hindering his fellow in the reasonable exercise of these rights. As to the second contention, it is true that rights are not needed until men come into some form of social intercourse; for a right means the moral power of restraining others from interfering with one's personal goods, and if there is no one near enough to interfere the moral restraint is unnecessary and impracticable; but this does not prove that rights are

## A LIVING WAGE

created by society, any more than the fact that evening dress is worn only at certain "functions" proves that this form of apparel is created by or for the "functions." The clothes are intended for the individual wearers *on certain occasions*. In like manner, the individual's rights have for their primary purpose his own welfare *in society*. Finally, the fact that a man's rights can be sufficiently protected only in civil society is not a reason why they should be entirely subordinated to the ends of society, any more than the employer's dependence upon his employees puts him under obligation to turn over to them all his profits.

Academic opposition to the doctrine of natural rights is directed not so much against the moderate conception of them that has always prevailed in Catholic ethical teaching, as against the exaggerated and anti-social form in which they were proclaimed by the political philosophers of France, and even by some of those of England and America, in the latter half of the eighteenth century. The Catholic view, which is the one defended in this chapter, is, as already noted, that the individual's natural rights are derived from and determined by his nature, that is to say, his essential constitution, relations and end. They are also said to proceed from the natural law, which is simply that portion of God's eternal law that applies to actions of human beings. The natural law is so expressed in man's nature that its general precepts may readily be known, partly by intuition and partly by analyzing man's faculties, tendencies and destiny. In the view of the Revolu-

## JUSTIFICATION OF RIGHTS

tionary philosophers, however, "nature" and "natural" referred not to what is essential and permanent in man, but to that which is primitive and unconventional. Hence they laid more stress on the "state of nature" than on the "law of nature."<sup>1</sup> The natural law was merely that very simple and very primitive system of rules that would suffice for the state of nature, in which political restraints would be unknown, or at least reduced to a minimum. As the late Professor Ritchie has well said: "To the Thomist<sup>2</sup> the law of nature is an ideal *for* human law; to the Rousseauist it is an ideal to be reached by getting rid of human law altogether."<sup>3</sup> In the mind of the Revolutionist, therefore, to re-establish the law of nature meant to shake off the cumbersome and obstructive political regulations of the day, and get back to the simple state of nature, the semi-anarchical conditions of primitive times. This was, of course, a very inadequate interpretation of man's nature and of the natural law. No such "state of nature" ever existed or ever could exist compatibly with civilization. No valid conclusion regarding the individual's liberties, duties or rights could be deduced from his position and relations in this imaginary and irrational existence. Nevertheless, upon it were based and by it were measured men's natural rights in the Revolutionary system. As a consequence, the rights of the individual were exaggerated and the rights of society minimized.

<sup>1</sup> Cf. Bonar, "Philosophy and Political Economy," p. 186.

<sup>2</sup> And the Catholic philosopher generally.

<sup>3</sup> "Natural Rights," p. 43.



## A LIVING WAGE

In practice this juristic liberalism has meant, and always will mean, that the State allows to the strong the legal right and power to oppress the weak. A good example of the evil is to be found in the results of the economic policy of *laissez-faire*. It is no wonder that there has been a reaction against this pernicious, anti-social and really *unnatural* theory of natural rights.

The doctrine of natural rights outlined in the foregoing pages holds, then, a middle ground between the Revolutionary and the positivistic theories of the origin and extent of the rights of the individual. It insists that the individual is endowed by nature, or rather, by God, with the rights that are requisite to a reasonable development of his personality, and that these rights are, within due limits, sacred against the power even of the State; but it insists that no individual's rights extend so far as to prevent the State from adjusting the conflicting claims of individuals and safeguarding the just welfare of all its citizens. In other words, man's natural rights must not be so widely interpreted that the strong, and the cunning, and the unscrupulous will be able, under the pretext of individual liberty, to exploit and overreach the weak, and simple, and honest majority. The formula that correctly describes the limits of individual rights is not the one enounced by Kant and Fichte, namely, that a person has a right to do everything that does not interfere with the equal liberty of others.<sup>1</sup> Interpreted in one way, this for-

<sup>1</sup> See Kant's "Metaphysik der Sitten," section C, and Fichte's "Science of Rights," p. 161, Kroeger's translation.



## JUSTIFICATION OF RIGHTS

mula is utterly incapable of application, since the doing of an action by one man means the limitation to that degree of the liberty of all other men. Understood in a completely subjective sense, it would justify and legalize theft, adultery and murder; for I may claim the right to steal if I am willing that others should enjoy the same liberty. The true formula is, that the individual has a right to all things that are essential to the reasonable development of his personality, consistently with the rights of others and the complete observance of the moral law. Where this rule is enforced the rights of *all* individuals, and of society as well, are amply and reasonably protected. On the other hand, if the individual's rights are given a narrower interpretation, if on any plea of public welfare they are treated by the State as non-existent, there is an end to the dignity of personality and the sacredness of human life. Man becomes merely an instrument of the State's aggrandizement, instead of the final end of its solicitude and the justification of its existence. If all rights are derived from the State, and determined by the needs of the State, the laborer has no such thing as a natural right to a Living Wage, nor any kind of right to any measure of wages, except in so far as the community would thereby be benefited. President Hadley tells us that some workers are more profitable at a low wage than at a high one, that the "economy of high wages" is not a universal law. "There are some men whose maximum efficiency per unit of food is obtained with small consumption and small output. These go into

## A LIVING WAGE

lines requiring neither exceptional strength nor exceptional skill, and remain poor because the best commercial economy in such lines is obtained by a combination of low output and low consumption.”<sup>1</sup> Those who would measure the rights of the individual by the social weal must logically conclude that whenever “the best commercial economy” is secured by “low consumption,” in other words, by low wages, the underpaid worker, let him be never so cruelly “sweated,” is not treated unjustly and has no right to a larger remuneration. Hence the importance of the doctrine of rights to the subject of this volume; for it cannot be shown that every laborer has an ethical claim to a Living Wage unless the teaching of Christianity be accepted, to wit: “That every individual by virtue of his eternal destination is at the core somewhat holy and indestructible; that the smallest part has a value of its own, and not merely because it is part of a whole: that every man is to be regarded by the community, never as a mere instrument, but also as an end.”<sup>2</sup>

<sup>1</sup> “Economics,” section 363.

<sup>2</sup> Gierke, “Political Theories of the Middle Age,” p. 82.

## CHAPTER II

### THE RIGHT TO SUBSISTENCE AND THE RIGHT TO A DECENT LIVELIHOOD

The right to a Living Wage is derived from the right to live from the bounty of the earth. The latter right acknowledged by most nations and insisted upon by Christianity. It is evident from a view of man's nature and his relation to the earth. It is superior to and limits the right of private ownership. Meaning of a decent livelihood. Its rational basis is the sacredness of personality. Men have not natural rights to equal amounts of goods; for they are unequal both in individual needs and productive powers. Nor rights to equal satisfaction of the totality of their needs. Circumstances by which the right to a decent livelihood is conditioned.

According to the argument made in the last chapter, the source of natural rights is the dignity of the human person, while their scope is determined by the person's essential needs. A man's natural rights are as many and as extensive as are the liberties, opportunities and possessions that are required for the reasonable maintenance and development of his personality. They may all be reduced to the right to a reasonable amount of external liberty of action. Some of them, for instance, the right to live and the right to marry, are original and primary, inhering in all persons of whatever condition; others are

## A LIVING WAGE

derived and secondary, occasioned and determined by the particular circumstances of particular persons. To the latter class belongs the right to a Living Wage. It is not an original and universal right; for the receiving of wages supposes that form of industrial organization known as the wage system, which has not always existed and is not essential to human welfare. Even to-day there are millions of men who get their living otherwise than by wages, and who, therefore, have no juridical title to wages of any kind or amount. The right to a Living Wage is evidently a derived right which is measured and determined by existing social and industrial institutions.

The primary natural right from which the right to a Living Wage is deduced, is the right to subsist upon the bounty of the earth. All people have given more or less definite adhesion to the truth that the earth is the common heritage of all the children of men. Emil de Laveleye and Sir Henry Maine tell us that, "originally the soil belonged in common to communities of kinsmen"; and Cliffe-Leslie, speaking of the wild herbs, fruits, berries and roots which were the earliest forms of property, says: "Individuals did not regard these as their own absolute property, but as part of the common fund of the community."<sup>1</sup> Whatever objections may lie in the way of the theory of primitive communism in land, the facts at our disposal seem to indicate that scarcely any community has regarded as thieves

<sup>1</sup> Introduction to Laveleye's "Primitive Property," pp. vi, vii. Cf. Wallace's "Russia."

## RIGHT TO SUBSISTENCE

those of its own members who seized their neighbor's goods as a last resource against starvation. This is especially true of the nations that have adopted the moral teachings of Christianity. In the early centuries of the Christian era the task of providing for the poor and needy was accepted and recognized by the bishops and secular clergy, the monasteries and other religious institutions, as an obligation of legal justice; in modern times it is most frequently discharged through the legislation known as poor laws. Underlying these various practices and institutions is the Christian conviction that every human being has not only a claim in charity, but a strict right to as much of the wealth of the community as is necessary to maintain his life. Such was the doctrine of the early Fathers of the Church, and such has been the doctrine of all her authoritative teachers down to the present hour. The teaching of Basil in the East and Ambrose in the West may be taken as representing the mind of all the Fathers. The former tells the rich man that the superfluous bread, shoes and clothes in his possession belong to his hungry and naked neighbors, while the latter declares that the man of wealth who gives to the poor is not bestowing an alms but paying a debt.<sup>1</sup> The greatest of the theologians, St. Thomas Aquinas, maintained that the man in extreme need who had no other resource was justified in supplying his necessities from the goods of his

<sup>1</sup> For a fairly good account of the attitude of the Fathers toward private property, see Ryan, "Alleged Socialism of the Church Fathers."

## A LIVING WAGE

neighbor, and that this would not, properly speaking, be theft.<sup>1</sup> Again, he says it is well that property should be *owned* privately, but that the *use* of it should be common, so that all persons may be sustained out of its abundance.<sup>2</sup> In this statement we have undoubtedly an echo and development of the saying of Aristotle that, "it is best to make property private but to have the use of it common."<sup>3</sup>

This claim of the individual to a livelihood, which seems to be allowed by the moral convictions of all peoples, and which is explicitly asserted in the Christian teaching, is obviously in accord with the dictates of reason. Since all persons are of equal intrinsic worth, the maintenance of life is of equal intrinsic importance in all. Relatively to his fellows, every man is an end in himself. No man can reasonably say to his neighbors: "My life is superior to yours, more sacred than yours, and your faculties and lives ought to be treated as mere means to my welfare." Nor can any man truthfully assert that there is anything in the designs of God, in his own nature, or in the nature of the earth that would justify him in maintaining that his right to the earth's material resources is superior to that of his fellows. On the one hand, then, we have the fact that all persons are of equal dignity and their lives of equal intrinsic importance; on the other hand, we see that all men stand on the same footing in relation to the common bounty of earth. It follows, therefore, that the right of access to the material

<sup>1</sup> "Summa Theologica," 2a. 2ae., q. 66, a. 7.

<sup>2</sup> *Ibid.*, a. 2.

<sup>3</sup> "Politics," Book II, ch. V.

## RIGHT TO SUBSISTENCE

means of living is as important and as valid in one man as in another. The man who is not in himself in extreme need cannot rightfully debar his perishing fellow man from the goods that are indispensable to the preservation of life.

What becomes, according to this doctrine, of the right of private property, and of the recognized titles thereto, such as occupation, inheritance, labor, acquisition by contract, etc.? Suppose the starving man wishes to take some of the bread that the honest mechanic has bought with his hard earned wages! The latter may meet the man in distress with the statement: "Yes, I concede that you have by nature, by the fact that you are a human being, the right to acquire and use property and, in general, to live upon the fruits of the earth; but my purchase has given me a particular claim to this particular bread, a specific and precise right against which your generic and vague right cannot prevail." The answer to this contention is simple. All the titles of private ownership are merely reasons or causes why a person can validly lay claim to a particular piece or article of private property. They show why the good in question belongs to the present claimant *rather than to any other owner*; but they do not prove the validity of private property as an *institution*. Private ownership of the earth's resources is right and reasonable not for its own sake — which would be absurd — but because it enables men to supply their wants more satisfactorily than would be possible in a régime of common property. Human needs constitute the primary title both of



## A LIVING WAGE

common and of private ownership. Private property is morally legitimate because it is the method that best enables man to realize his natural right to use the gifts of material nature for the development of his personality. It is, therefore, merely a means, and its scope is determined and limited by the end which it promotes, and which is its sole justification. The private right of any and every individual must be interpreted consistently with the common rights of all. When a private owner encroaches upon the latter he cannot justify his conduct by an appeal to the authority of his private right; for this is a mere means to the right of use, and his right of use ceases where the like right of his neighbor begins. Hence a man's right to a superfluous loaf which is his by a title of private ownership does not absolve him from the crime of injustice when he withholds it from his starving fellow man. In acting thus he treats a trifling want of his own, namely, the desire to continue in possession of that loaf, as a thing of greater worth than his neighbor's life. He uses the common bounty of nature to satisfy an unimportant want at the expense of an essential want in a being whose life is as sacred and as valuable as his own. As this use of goods is unreasonable, so is the means by which it is accomplished, namely, an undue extension and unwarranted interpretation of the right of private property.

So much for the right to subsistence, to a bare livelihood. By a *decent* livelihood is meant that amount of the necessities and comforts of life that is in keeping with the dignity of a human being. It



## RIGHT TO SUBSISTENCE

has no precise relation to the conventional standard of living that may prevail within any social or industrial class, but describes rather that minimum of conditions which the average person of a given age or sex must enjoy in order to live as a human being should live. It means, in short, that smallest amount of subsistence goods which is reasonable, becoming, appropriate to the dignity of a person. The content of this right will be stated in detail hereafter; at present let us say that if a man is to live a becoming life he must have the means; not merely to secure himself against death by starvation and exposure, but to maintain himself in a reasonable degree of comfort. He is to live as a man, not as an animal. He must have food, clothing and shelter. He must have opportunity to develop within reasonable limits all his faculties, physical, intellectual, moral and spiritual. The rational ground of this right is the same as that of the right to subsistence. It is the dignity and essential needs of the person. Those means and opportunities that have just been described as a decent livelihood are the minimum conditions of right and reasonable living, since without them man cannot attain to that exercise of his faculties and that development of his personality that makes his life worthy of a human being. When he is compelled to live on less than this minimum he is treated as somewhat less than a man. If it be asked, What proof can be given that a person really possesses this right to a decent livelihood? the answer must be that proof in the strict sense is impossible. If it is not self-evident, none

## A LIVING WAGE

of man's natural rights is self-evident, and the dignity of personality is a delusion. All that a defender of any of these rights can do is to offer what Mill called "considerations which induce the mind to accept." The only argument that can be adduced for the right *to live* is that the sacredness of personality is violated when one man uses the life of another as a mere means to his own welfare. Similarly a man's dignity is outraged when he is deprived of the opportunity to live a *reasonable* life, in order that some other man or men may enjoy the superfluities of life. A decent livelihood is just as truly an essential need of man, is just as absolutely demanded by his intrinsic dignity, as subsistence, or security of life and limb. In all these rights the vital and ultimate consideration is the intrinsic worth of the person. If this be ignored, if the principle that every man is an end in himself be rejected in the case of the claim to a decent livelihood, it can logically be ignored where life itself is at stake; for the difference between these rights and between the needs to which they respond is one of degree not of kind. Now, since a reasonable life and the reasonable development of personality are of equal intrinsic importance in all human beings, the fruits of the earth, the common heritage, ought to be distributed in such a way that this end will be realized. Consequently when any person is hindered from obtaining access *on reasonable terms* to this minimum of material goods his dignity and rights are violated, and some other man or men, or some social institution, has committed an act of injustice.

## RIGHT TO SUBSISTENCE

Why content ourselves, it may be asked, with the assertion that men have equal rights merely to a decent livelihood? Since the earth was created for all, and since men are equal in personal dignity, have they not a natural right to *equal amounts* of the products of the earth? The first answer to these questions consists in an appeal to that very consideration of equal justice which, superficially regarded, seems to demand an equal division. Although men are equal in personal dignity, they are unequal in their individual powers and needs. Equal generically, they are unequal individually. The quantity that would constitute a decent livelihood, or any other given level of living, for one man, would mean now more and now less than this level in the case of other men. So that even if the ideal of distributive justice were that social condition in which all men would have the requisites of precisely equal degrees of life and development, the quantity necessary for this purpose would vary according to the varying constitutions and peculiarities of the individuals. All that any man could justly demand would be the amount that made this degree of life possible for him. With regard to their content, therefore, the equality of rights is proportional not arithmetical.

Another objection to the method of absolute equality in distribution arises out of the principle of productivity. The conviction is well-nigh universal that a man has a right to all that he produces. Any one not in extreme need who seizes the results of another's labor is everywhere regarded as a robber or a thief. And this judgment seems to be entirely

## A LIVING WAGE

correct. Certainly it is true of those cases in which the producer, using materials which are his by some valid title of ownership, turns out a product unassisted. Upon this product his, and only his, personality is impressed, and it is difficult to see on what ground, save that of dire need, any portion of it can be claimed by any one else. The same principle would seem to hold in a lesser degree with regard to the joint product of a number of associated workers whose productive contributions have been unequal. Those who have produced most are, it would seem, entitled to the largest share of the product. It is not necessary, nor even proper, that they should be awarded in full proportion to their productivity — for the reasonable needs and the efforts or sacrifices of the other workers constitute superior titles — but they ought to receive something more than the less efficient contributors. Mr. John A. Hobson says that society must, as a matter of *expediency*, recognize in its members some kind of right to “all that portion of a product necessary to evoke the effort to produce it.”<sup>1</sup> It is true that society will do well to pay exceptional rewards in order to obtain exceptional services, but this necessity under which society labors does not of itself confer upon the doers of such services a *right* to unusual remuneration, any more than the conditions which compel a weaker nation to pay tribute to a stronger create a right in the latter to receive and retain such payments. Social expediency is frequently nothing more than forced toleration of something essentially evil. In-

<sup>1</sup> “The Social Problem,” pp. 105, 106.

## RIGHT TO SUBSISTENCE

dependently, however, of the attitude of society, superior productive power does seem to give rise to some sort of title to superior rewards, and therefore to refute the claims of arithmetical equality.

But if man's needs constitute the primary and most urgent title of ownership, and should be taken as the sole rule of distribution up to the point where all men are provided with a decent livelihood, why not apply the same principle to all the needs that clamor for satisfaction and all the goods that are to be distributed? Since men are of equal worth, does not ideal justice require that they should be enabled to supply the totality of their needs in equal degrees? Is it just that one man smoke cigars, while his neighbor, with the same human nature and the same tastes, is compelled to content himself with cheap tobacco and a clay pipe? One answer to these questions is found in the claims of the principle of productivity as outlined in the preceding paragraph. The man who produces more wealth or other forms of social utility than his fellow producers acquires some kind of right to a greater reward, independently of the extent or intensity of his needs. Again, some of the producers make greater efforts and greater sacrifices than others; and a large part of the world's productive resources is already held by legitimate titles of private ownership, such as occupation, inheritance and contract. Superior sacrifices undergone in the production of social utilities create a claim to superior remuneration; and the recognized titles of private ownership, when not extended beyond reasonable limits, are valid because

## A LIVING WAGE

they are in accordance with deep and universal human needs. They confer upon their holders some right to the *fruits* of the productive goods thus owned. Finally, the needs that remain after a decent livelihood has been obtained by all, ought, as a matter of *social welfare* and of concrete justice, to be satisfied unequally, inasmuch as men who can make a good use of the non-essential goods ought to obtain more of them than men who are incapable of any socially useful work. All of these considerations of productivity, sacrifice, existing private property, and capacity for public service, modify the claims of the principle of needs, and have to be taken into account in formulating a completely just system of distribution.<sup>1</sup>

It does not follow, however, that the man who has no private productive property, and whose efficiency and sacrifices in production are only ordinary, will never have a right to more than the minimum that constitutes a decent livelihood. If this were true the just wage and the Living Wage would mean the same thing for the great majority, and only the few would have a right to the means of progressing beyond the bare essentials of a reasonable existence. But to set forth the requirements of full and exact justice in the distribution of goods is happily not the object of this book. It is concerned only with the *minimum* that will satisfy the claims of right; hence the present contention is

<sup>1</sup> A very interesting and penetrating discussion of the different canons of distribution is found in Willoughby's "Social Justice," pp. 107-215.

## RIGHT TO SUBSISTENCE

merely that a person has a right to *at least* a decent livelihood. It has been said above that this is a right of access to the appropriate goods "on reasonable terms." This phrase suggests the limitations of the right. It is not of such a pressing nature as the right to subsistence, and therefore does not justify the taking of private property, even when there is no other available means of securing its realization. It is, moreover, limited by the actual conditions of production and distribution. Subsistence goods are not as a rule provided by nature in the precise forms suitable to human use. The raw material of living is present in abundance, but the finished consumption goods must be furnished by labor. They cannot be obtained by a simple stretching forth of one's hand. "In the sweat of thy face thou shalt eat thy bread," is the great law of life which in some form is binding upon all. It must be obeyed, up to the limit of reasonable exertion, by all who would make good their claims to a decent livelihood. As all should be enabled to realize the right, so all should fulfil the conditions upon which it depends. On the other hand, the concrete existence of the right in all supposes that the total amount of goods to be distributed is sufficiently large to afford a decent livelihood for all. Where both of these conditions are realized the individual's right will be valid *in general* against the society of which he forms a part; for, to quote the words of Prince Liechtenstein of Austria: "Labor is not merely a matter of the private order; it is a kind of function delegated by society to each member of the body



## A LIVING WAGE

politic. The peasant who cultivates his field, the artisan who works in a manufactory, are, so far as society is concerned, functionaries, just as much as the government clerk in his office, or the soldier on the field of battle. Industrial labor creates, like every other function, a series of reciprocal obligations between the society which provides it and the worker who executes it.”<sup>1</sup> The right holds *in particular* against the person or the industrial or social institution to whom society has transferred the function of distribution, and on whom the actual relations of men and the practical harmonizing and just interpretation of the natural rights of all, dictate that the obligation should rest.

<sup>1</sup> Quoted in Lilly’s “First Principles in Politics,” pp. 101, 102.



## CHAPTER III

### THE RIGHT TO AN INDIVIDUAL LIVING WAGE

Historical sketch of opinion regarding a Living Wage. The maintenance of industrial efficiency: theory not fully convincing, and it ignores the laborer's personal dignity. The theory of an equivalent for expended energy is inconclusive. The principle of just price demands equality of gain for the two exchangers, and a corresponding formulation of values and prices. In the opinion of the Schoolmen, this was best accomplished through the medium of the social estimate. Upon this doctrine of just price some writers try to base the right to a Living Wage. Criticism of the doctrine in its theoretical and practical aspects, and conclusion it cannot serve as a foundation for this right. Some remarks on the general validity of the doctrine of just price. The theory that the laborer's right to a Living Wage is merely the concrete form of his right to a decent livelihood. The former right holds against the members of the community in which the laborer lives, notwithstanding the complexity of modern industry and current exaggeration of the right of private ownership. A truer view prevailed in medieval society; and occasionally finds expression to-day. The wage-rights of women and children.

It is the purpose of this chapter to show that the workingman's right to a decent livelihood is, in the present economic and political organization of society, the right to a Living Wage. As a pre-

## A LIVING WAGE

liminary to the formal argument, a brief review will be made of the attitude taken toward the doctrine by important thinkers. As we have already seen, the Fathers of the Church and the medieval theologians believed that every human being has an imperishable right to a livelihood from the common bounty of nature. And the medieval teaching went further. The principle that the laborer should receive *just* wages was virtually contained in the canonist doctrine of just price. The theologians and canonists held that every commodity had a certain fair valuation, or just price, which was independent of the arbitrary and fortuitous valuation resulting from the higgling of the market.<sup>1</sup> The just price in

<sup>1</sup> The somewhat puzzling doctrine of "just price" is not always understood by either its critics or its defenders. The former sometimes assert that it was based on an incorrect analysis of the phenomena that give rise to commercial values, individual and social. This is a complete misconception; for the doctrine in question was not an attempt to explain the actual, but to describe the ideal. Comparisons instituted between it and modern theories of value are, therefore, entirely irrelevant. A theory of value is a scientific explanation of the ultimate causes of the values that prevail or tend to prevail in a régime of free contract. Now the medieval writers concerned themselves very little with this question: First, because values and prices were in their time fixed for the most part by law or by custom; and, second, because their main purpose was to lay down rules for knowing the price at which a thing *ought* to sell, not to tell the price at which it would sell. Even if they had held, as some modern writers have asserted, that the just price of a commodity was something strictly intrinsic—a belief that cannot be correctly attributed to any one of them—their teaching would not conflict with economic theories of value. (Cf. Cunningham, "Western Civilization," vol. ii, pp. 78-80.) The doctrine of just price may sometimes have been associated with incorrect views of industrial life, but all competent authorities agree that it was a fairly sound attempt to define the equities of medi-

## A PERSONAL LIVING WAGE

any market being determined by the appraisement of the general public, it was said to be measured by the "communis aestimatio." To ascertain the just price of any article, account had to be taken of its general utility, scarcity and cost of production. The last element, which in the Middle Ages was chiefly represented by labor expenditure, was regarded as the most important. When, therefore, the medieval theologians and canonists taught that a just price should be paid for every commodity, and that its chief determinant was labor-cost, they virtually insisted that the laborer should be paid just wages.<sup>1</sup>

To the searcher for explicit and precise rules for determining what is a fair remuneration for labor, the medieval writers are, indeed, disappointing. St. Thomas Aquinas says that, as justice demands that equal exchanges, and that it was tolerably successful in practice.

On the other hand over-zealous apologists of the doctrine have tried to show that the "communis aestimatio," which was held to be the proximate criterion of just price, is essentially the same as that complex of social forces that fixes present market prices, and that some modern writers have called "the social estimate." The resemblance is only of name. The common estimate of which the canonists spoke was a *conscious social judgment* that fixed prices beforehand, and was expressed chiefly in custom, while the social estimate of to-day is in reality an *unconscious resultant* of the higgling of the market, and finds expression only in market price.

For a complete exposition of the doctrine of just price, with abundant citations and references, see: "L'Idée du juste prix," by Henri Garnier; and "Allgemeine Grundlagen der Nationalökonomie," ch. XV, by Julius Costa-Rosetti. Brants in the work already cited, chap. V and p. 193; Ashley in "Economic History," vol. i, p. 134, sq.; and Cunningham in "Growth of English Industry," vol. i, p. 323, sq., are also quite satisfactory.

<sup>1</sup> Cf. Brants, op. cit., pp. 107-116.

## A LIVING WAGE

a fair price be paid for a material commodity, so it demands that a fair price should be given for human labor.<sup>1</sup> Other writers likewise content themselves with the general declaration that wages should be in accordance with justice. Their failure to be more specific seems to be explained by the industrial conditions of the time. During the greater part of the Middle Ages there was, properly speaking, no such thing as a wage system; for there was no class of laborers, either in town or country, depending solely on employers to whom they sold their labor.<sup>2</sup> The master craftsmen in the towns and the men who tilled the soil on their own account, received just wages if they received a just price for their products. Even after the rise of a distinct laboring class — that is, men who could never hope to become master craftsmen, or men who spent the greater part of their time in the service of the lords of the domain — the question of just wages was not of supreme importance. In town industries the journeymen were quite commonly fed and lodged by their employers;<sup>3</sup> the relations between masters and journeymen were akin to those existing between father and sons;<sup>4</sup> and between the average earnings of the two classes there was not a great difference.<sup>5</sup> Agri-

<sup>1</sup> "Summa Theologica," 1a. 2ae., q. 144, a.1.

<sup>2</sup> Gibbins, *op. cit.*, vol. ii, p. 101; Ashley, *op. cit.*, vol. ii, p. 101; Levasseur, "Histoire des classes ouvrières avant 1789," vol. i, p. 598.

<sup>3</sup> Levasseur, *op. cit.*, vol. i, p. 455; Brants, *op. cit.*, p. 123; Martin-Sainte-Leon, "Histoire des corporations des métiers," p. 155.

<sup>4</sup> Ashley, *op. cit.*, vol. ii, p. 103.

<sup>5</sup> Levasseur, *op. cit.*, vol. i, p. 313; Brants, *op. cit.*, p. 123.

## A PERSONAL LIVING WAGE

cultural laborers usually had possession of a piece of ground, to the cultivation of which they devoted their leisure time, and from which they obtained part of their sustenance.<sup>1</sup> These conditions were not, indeed, universal, nor did they always secure for the laborer a reasonable living, but they explain sufficiently the failure of medieval writers to treat specifically the question of just wages.

Later on, when the wage-earning class assumed greater proportions, we find the ethics of their remuneration explicitly discussed by theological writers. Molina, De Lugo, and Bonacina, writing about the beginning of the seventeenth century, declare that in general that wage is just which is customary for a given service in a given place.<sup>2</sup> The two first mentioned say that a wage insufficient for the subsistence of some laborers, will nevertheless be fair when there are many who *willingly* sell their services for that amount. We are told that numerous workers do accept this lower wage, either because they have other sources of income, or because they can live more cheaply than fellow members of their own class. From the context it would seem that both Molina and De Lugo assume that the laborer has a right to a living from his toil, and that their chief concern in the passages cited is with cases in which the circumstances are exceptional.<sup>3</sup> At

<sup>1</sup> Gibbins, *op. cit.*, p. III.

<sup>2</sup> Molina, "De Contractibus," disp. 506, nos. 2, 3, 4; De Lugo, "De Jure et Justitia," disp. 29, no. 62; Bonacina, "De Contractibus," disp. 3, q. 7.

<sup>3</sup> Cf. Vermeersch, "Questiones de Justitia," pp. 572, 573; Pottier, "De Jure et Justitia," pp. 234-241.

## A LIVING WAGE

any rate, they do not discuss the question of a Living Wage adequately and in all its relations. The only general standard of just remuneration that they lay down is custom. Whether the customary wages of those days complied with the requirements of a Living Wage, as then understood, is not easily determined. However, since wages remained stable during long periods of time, and since the direct influence of religious and moral teaching on economic life was very considerable — much greater than at present — it may well be that the essentials of a reasonable wage were fairly well realized.

From the time of the writers just mentioned down to the year 1891, the theological and canonist doctrine on the ethics of wages seems to have undergone no important development. The old phrases about customary wages and just wages are constantly recurring. A curious instance of this unprogressiveness is found in the pages of the canonist, Reiffenstuel, one of the ablest authorities on the legislation of the Church. He maintained that it was wrong for an employer to pay a laborer less than was usual in similar circumstances, but that when the usual wage was paid all obligations of justice were satisfied, even though it did not suffice for a livelihood.<sup>1</sup> According to this interpretation, the “customary wages” of the medieval theologians and canonists become “current wages,” and the “common estimate” of just wages becomes the wages that men actually pay in the strife of com-

<sup>1</sup> “*Jus Canonicum*,” lib. III, Decretal., tit. XVIII, nos. 108–114.

## A PERSONAL LIVING WAGE

petitive bargaining. What was in the minds of the Schoolmen a conscious moral judgment is thus converted into an unconscious resultant of men's efforts to buy cheap and sell dear. The author's principle would justify starvation wages if these were common to a whole class.

In the year 1891, the late Pope Leo XIII formulated the doctrine of a minimum Living Wage in his celebrated encyclical, "*Rerum Novarum*," better known by the title, "*On the Condition of Labor*." Its most important passages relative to the present matter are the following:

"We now approach a subject of very great importance, and one on which if extremes are to be avoided right ideas are absolutely necessary. Wages, we are told, are fixed by free consent, and therefore the employer, when he has paid what was agreed upon, has done his part and is not called upon for anything further. The only way, it is said, in which injustice could happen would be if the master refused to pay the whole of the wages, or the workman would not complete the work undertaken; when this happens the State should intervene to see that each obtains his own, but not under any other circumstances.

"This mode of reasoning is by no means convincing to a fair minded man, for there are important considerations which it leaves out of view altogether. To labor is to exert one's self for the sake of procuring what is necessary for the purpose of life, and most of all for self-preservation. 'In the sweat of thy brow thou shalt eat bread.' Therefore, a



## A LIVING WAGE

man's labor has two notes or characters. First of all, it is *personal*; for the exertion of individual power belongs to the individual who puts it forth, employing his power for the personal profit for which it was given. Secondly, man's labor is *necessary*; for without the results of labor a man cannot live; and self-conservation is a law of nature which it is wrong to disobey. Now if we were to consider labor merely in so far as it is personal, doubtless it would be within the workman's right to accept any rate of wages whatever; for in the same way as he is free to work or not, so he is free to accept a small remuneration or none at all. But this is a mere abstract supposition; the labor of the workman is not only his personal attribute, but is necessary; and this makes all the difference. The preservation of life is the bounden duty of each and all, and to fail therein is a crime. It follows that each one has a right to procure what is required in order to live; and the poor can procure it in no other way than by work and wages.

“Let it be granted, then, that as a rule workman and employer should make agreements, and in particular should freely agree as to wages; nevertheless, there is a dictate of nature more imperious and more ancient than any bargain between man and man, that the remuneration must be enough to support the wage earner in *reasonable and frugal comfort*. If through necessity, or fear of a worse evil, the workman accepts harder conditions because an employer or contractor will give him no better, he is the victim of fraud and injustice.”



## A PERSONAL LIVING WAGE

Pope Leo XIII was not, indeed, the first Catholic authority to proclaim this principle of a Living Wage. It had already been more or less explicitly laid down and defended by Ketteler in Germany, Vogelsang in Austria, de Pascal in France, Pottier in Belgium, and Manning in England.<sup>1</sup> It was the principle of social justice that was clearest and most definite in the consciousness of those numerous groups of Catholic thinkers and agitators who during the preceding quarter of a century had been seeking a remedy for the industrial ills of modern Europe. It was at least a partial application to existing economic conditions and institutions of the traditional theological and canonist doctrine of just price. Indeed, it was the activity of this Catholic social movement that, more perhaps than all other influences together, led the late Pontiff to issue the encyclical, "On the Condition of Labor." In a conversation with the Swiss social reformer, Gaspar Decurtins, Pope Leo referred to the father of the movement, Archbishop Ketteler, as his "great forerunner." Nevertheless, it was his encyclical that converted the Living Wage doctrine from an implicit into an explicit principle of Catholic ethics.

Owing to the individualistic tendencies of Protestantism, its many forms, and the nature of its organization, the Protestant teaching on an ethical standard of wages as against the standard of unlimited bargaining, is less pronounced and less uniform than that of the Catholic church. It is, therefore, much more difficult of adequate presentation

<sup>1</sup> Cf. Nitti, "Catholic Socialism," *passim*.

## A LIVING WAGE

in a brief survey. Attention may, however, be called to one or two important facts. No Protestant denomination has ever signified its approval of the principle of unlimited bargaining, either formally or through the expressions of its leading representatives. On the contrary, numerous and able representatives of the leading denominations have frequently protested against the doctrine, and insisted that to take advantage under the guise of a free contract of the necessities of the laborer is to violate the principles of Christianity. Chief among them are: Kingsley, Maurice, Hughes, and Headlam in England; Pastors Stöcker and Todt in Germany; Gide and Waddington in France; and Bishop Potter and Dr. Gladden in the United States. The first three groups of writers founded or identified themselves with organizations for Christian social reform which have had a very large influence.<sup>1</sup>

In the program of social reconstruction, issued by the Federal Council of the Churches of Christ in America in 1919, the demand is made for a Living Wage enforced by the State, and it is declared that "this Living Wage should be made the first charge upon industry, before dividends are considered."

Prominent among those who defend the principle of a minimum wage on social grounds are Sidney and Beatrice Webb, and their line of argument is typical of that large class of writers who habitually regard the rights and welfare of the individual from

<sup>1</sup> Cf. Nitti, *op. cit.*, pp. 85-99; and Rae, "Contemporary Socialism," pp. 220-242.

## A PERSONAL LIVING WAGE

the viewpoint of society.<sup>1</sup> They maintain that the State ought to enforce a national minimum of wages which would provide the laborer with "the food, clothing and shelter physiologically necessary, according to national habit and custom, to prevent bodily deterioration." By this means the community would rid itself of the industrial evil called "parasitism," that is, the existence of trades or businesses in which the wages paid are too low to maintain the workers in industrial efficiency, and to enable them to reproduce and rear a sufficient number to take their places. These industries take from the nation's capital stock of character, intelligence and energy more than they give back, and therefore steadily degrade the character and industrial efficiency of the whole people. Hence, as a matter of simple protection to the national life, both present and future, this practice ought to be prohibited, and all workers ought to be given, through appropriate legal measures, sufficient remuneration to maintain their productive power.

Admitting the premises, this conclusion is obviously correct, but it is only partially satisfactory to anyone who regards the laborer primarily as a being endowed with a personality and rights of his own. Like every other person, he exists primarily for himself, not for society; and he has rights that are derived from his own essential and intrinsic worth, and whose primary end is his own welfare. Society exists for the individual, not the individual for society, and when there is question of fundamental

<sup>1</sup> See "Industrial Democracy," 1st edition, pp. 766-784.

## A LIVING WAGE

rights and interests the good of the individual, that is, of all the individuals, should be the supreme consideration. Social welfare when taken as an ideal of effort entirely apart from the welfare of the particular individuals of whom society is composed, is either an empty abstraction or, concretely, the welfare of a portion only of its members — the strongest, or most efficient, or most intelligent. Individual rights ought, indeed, to be interpreted consistently with the legitimate interests of society, but this is only another way of saying that no person's rights should be extended so far as to violate the rights of other persons; for the vital fact about injury to society is always that some wrong is done to a group of human beings. And, despite the alleged evils of "parasitism," it is quite conceivable that in some contingencies social utility would be promoted by paying some of the least efficient workers a wage insufficient to repair expended energy or to bring out their highest productive effort. The nation, like the individual employer, might find it profitable to wear out quickly a portion of its productive power. The difference between the product of some laborers at bare subsistence wages and at a wage adequate to replace their outlay of energy and evoke their fullest productivity, might not equal the difference in remuneration. In such cases the attempt to obtain the highest industrial efficiency would be economically unprofitable. No doubt the advocates of the view here criticized are too humane to conclude that society is justified in seeking its own utility at the cost of inhumanity to any section of its members.

## A PERSONAL LIVING WAGE

They would probably insist that this course would *in the long run* be productive of more harm than good, owing to the resulting *moral* deterioration. With this contention the defender of natural rights would agree, since he holds that true and permanent social utility, economic, moral and spiritual, can be secured only by a general observance of the moral law and the law of rights as deduced from the essential nature of man; but he would insist that the doctrine which derives the laborer's claim to a decent livelihood from considerations of social utility is not only unsound in theory but extremely dangerous in practice. Once this view becomes general, the condition of the "sweated classes" will be even more hopeless than it is to-day; for only the few are capable of perceiving, or anxious to secure, what will be beneficial to society "in the long run." The many will see only the apparent social utility of cheap goods and cheap services.

The Rev. Charles Antoine, S. J., declares that there ought to be an objective equivalence between the labor performed and the wage received.<sup>1</sup> That is to say, the laborer's remuneration must be sufficient to replace the energy that he has put forth in the service of his employer, and this as a matter not of social welfare but of individual rights. While this formula has a certain show of exact, rigorous justice, it can be interpreted and applied in such a way that the "equivalent" compensation will be less than a Living Wage. For the energy expended by the laborer to-day is determined by and equivalent

<sup>1</sup> "Cours d'économie sociale," p. 601.

## A LIVING WAGE

to the wage that he received yesterday. His wage may, indeed, be so far reduced that it will not replace the current day's output of energy, but this discrepancy will exist only during the transition from the higher to the lower rate. At the lower level a new equivalence will be established between pay received and energy expended. The subsistence received by the men and women employed in sweat shops does not repair a large amount of energy, but, on the hypothesis that they continue at work, it replaces all that they actually expend. The rule that Father Antoine proposes cannot be made the basis of a change for the better, since it is even now in force throughout the world of industry. In fact, it would work very well side by side with "the iron law of wages."

Other writers derive the right to a Living Wage from the principle of just price. Following the Schoolmen, they maintain that for every commodity, whether goods or labor, that men buy and sell, there is a price that is just and fair.<sup>1</sup> It is the price at which the things exchanged will be equal. Now the equality that may exist between economic goods can be nothing else but an equality of utility.<sup>2</sup> And this equality is to be understood, not absolutely, in the sense that both exchangers will derive the same amount of satisfaction from the goods *received*, but relatively to the inconvenience that each suffers by

<sup>1</sup> Cf. Rev. A. Vermeersch, S. J., "Quaestiones de Iustitia," theses, 25, 28, 29.

<sup>2</sup> Cf. Victor Brants, "Les théories économiques aux xiii<sup>e</sup> et xiv<sup>e</sup> siècles," p. 193, sq.

## A PERSONAL LIVING WAGE

depriving himself of the good transferred.<sup>1</sup> It was as obvious to the Schoolmen as it is to us, that in every economic exchange both parties make a gain, or think they do — otherwise the transaction could never take place. The utility that each obtains from the thing received is greater than he would have enjoyed by continuing in possession of the thing parted with. Now, justice requires that these net gains should be *the same for both sides*. Such is the precise and commonly accepted meaning of the scholastic formula: "In an onerous contract the two parties should be benefited equally." It is held to be a deduction from the personal equality of all human beings. Men have equal rights, not only to subsist upon and acquire the fruits of the earth, but to profit by the exchange of such goods as they have legitimately acquired.<sup>2</sup>

Since the price of goods is merely their *value* expressed in terms of money, their value must always be so assessed and determined that the price will be just — that both parties will obtain the same quantity of net advantage. Understood in this sense, the value of things is primarily an ethical attribute. It is measured and formulated with reference, not merely to economic facts, but to this objective moral standard of equality of gain.<sup>3</sup> If the gains result-

<sup>1</sup> Cf. St. Thomas, "Summa Theologica," 2a. 2ae., q. 77, a. 1.

<sup>2</sup> Cf. Rev. A. Castelein, S. J., "Philosophia Moralis et Socialis," p. 208.

<sup>3</sup> While criticizing the scholastic doctrine of just price, on the ground that, as he incorrectly assumes, it took no account of the factor of human desire, M. Gabriel Tarde adopts in so many words the scholastic formula of contrac-



## A LIVING WAGE

ing from the exchange of one coat for two pairs of shoes are unequal the goods have not been rightly valued, and the contract is not in accordance with ideal justice. In a word, justice is not realized by exchanging commodities at any valuation that the contracting parties see fit to put upon them, nor at any other valuation whatever, except the one that is just, the just price.

Who is to ascertain and fix this just value of things in actual transactions? Not those who make the exchange, for they are liable to form prejudiced estimates, and the stronger bargainer will be tempted to use his power at the expense of the weaker. In the opinion of the Schoolmen, the valuation could be most reasonably and justly determined by the community. They admitted, indeed, that the just price of goods was incapable of exact determination, and consisted in a "certain estimate" or approximation ("*quadam aestimatione*"). Hence, they said, it is susceptible of three grades, lowest, medium and highest, all of which are legitimate as rules of practical justice. This method of social appraisal seemed to them to be a fairly satisfactory device, inasmuch as it reduced the influence of the individual bias and individual selfishness (against which the whole doctrine of just price was directed) to a minimum. Nor was the community to act arbitrarily in arriving at its common estimate; it was morally bound to take into account certain objective

tual justice. That price, he says, will be just, "*qui donnerait une satisfaction egale aux deux.*" "*Psychologie économique,*" II, p. 44.



## A PERSONAL LIVING WAGE

factors, chiefly, the cost of production, the scarcity, and the general utility of the goods appraised. Thus formulated, the "social estimate" was always the proximate determinant of just price.

Upon this doctrine the writers whom we are now considering base the laborer's right to a Living Wage. Their argument runs thus: the workingman has a right to a just price for his labor; the just valuation of any kind of labor is that formed by the common estimate, or social judgment, of what is reasonable; now the social judgment declares that a man's wages ought never to be less than the equivalent of a decent livelihood; consequently, the just price of labor is never less than a Living Wage.

The defenders of this view are careful to point out that the social estimate to which they refer is not the *economic* social estimate. The latter is determined solely by the movement of demand and supply, is produced *unconsciously*, by the "higgling of the market," and is always expressed in actual market prices. The ethical estimate is a deliberate pronouncement of the social judgment, made independently of the price-determining action of competition. It declares the prices and wages that ought to exist, not those that do exist. In this sense the social estimate, we are told, maintains that when men are paid less than a Living Wage they are victims of injustice.<sup>1</sup>

<sup>1</sup> For an explanation of the difference between the scholastic theory of just price and a modern theory of economic value, the reader is referred to the footnote on page 42; references to authorities on the former theory will also be found there.

## A LIVING WAGE

In considering the bearing of the doctrine of just price upon that of a Living Wage, we must distinguish between its objective and subjective aspects. Equality of gain for the two exchangers is the objective standard of ideal justice; while the subjective application of the abstract rule to the concrete facts of industry is found in the social estimate, which is assumed to be the best available expression of the requirements of practical justice. Now, our contention is that neither the ideal standard nor the method of applying it affords a satisfactory logical basis for the Living Wage principle.

The criterion of equal gains for the two parties to an economic exchange would seem, at first sight, to possess all the requisites of a correct rule of justice. Inasmuch as men are endowed with equal rights to acquire the resources of the earth, it seems reasonable to conclude that when two of them enter into a contract for the exchange of goods that they have lawfully acquired — a contract in which neither intends to enact the rôle of a philanthropist, but both wish to gain as much as possible — they have a right to *equal quantities* of gain. As we saw in the last chapter, equal rights to the earth do not, indeed, imply rights to *equal amounts* of it or its products; but this is owing to the existence of other titles of ownership, such as superior needs, efforts and productivity, which modify the content of the primary and fundamental title. No such considerations stand in the way of men's rights to equal gains from the exchange of their goods. When we look deeper, however, we find that there are other

## A PERSONAL LIVING WAGE

and very good reasons for rejecting this standard of equal gains. In the first place, there is the difficulty of putting it into practice. No statement of a just price in terms of money can be formulated which will enable the two contracting parties to make equal gains in the case of any good that is frequently bought and sold. Different men may purchase the same article from the same merchant at the same rate, and yet the personal advantage will not be the same for all of them.<sup>1</sup> According to the theory that we are discussing, all the buyers ought to profit to the same extent, provided that the merchant's gains on all the transactions are equal. And the chances of inequality are increased when the purchasers deal with different sellers. The situation is the same when the commodity dealt in is human labor. It is morally impossible to appoint a rate of wages from which the employer and every employee will obtain the same amount of net utility.

Not only is this standard impracticable (except by an approximation so broad as to render it superfluous), but in a large proportion of cases it is unsound theoretically. For example, the man who gives his last dime to a prosperous baker for a loaf of bread, gains far more by the transaction than does the baker. The profit made by the latter is very small, say, one cent, and represents the satisfaction of a very trifling want. The other party to the contract has stilled the keenest pangs of hunger, and possibly warded off imminent starvation. Any

<sup>1</sup> Cf. J. A. Hobson, "The Economics of Distribution," chap. I; Tarde, *op. cit.*, pp. 10-22.

## A LIVING WAGE

other utility that he might have procured for his dime is, in comparison with the one that he really obtained, insignificant. Consequently, the utility of the bread to him, whether considered in itself or relatively to any other good that he might have got for his money, is much greater than the advantage accruing to the baker. And yet no one would assert that in the ordinary conditions of production ten cents is not a sufficiently large price for a loaf of bread. In accordance with a well known law of value, the utility of a good to an individual is always proportioned to the importance and intensity of the want that it satisfies; hence the more dissimilar the material conditions of the exchangers, the more will the gain of the poorer exceed that of the richer. If the two are to gain equally the poorer man must pay a price that all fair-minded persons would regard as outrageously exorbitant. Only in contracts between persons whose incomes are substantially equal does the rule of equality or gains seem to accord with our everyday conceptions of justice. When, for instance, a shoemaker gives a tailor a pair of shoes in return for a pair of trousers, their gains are about equal, since the wants supplied are nearly equal in importance. The inequality that we are discussing is even more striking and more frequent in labor contracts. No matter how low the wage, the laborer gains more than the employer. The man who works for seventy-five cents a day satisfies in some fashion his most important and intense wants. Compared with this result the pain-cost of the exertion that he puts forth is quite small.

## A PERSONAL LIVING WAGE

The net advantage that he derives from the contract is, therefore, very large; whereas the employer's profit is a small amount of money which, in a great many cases, represents a few cigars or some equally secondary utility. According to the equal gain principle, the laborer is getting more than is just, although his remuneration is far below the limit of a Living Wage. As a general rule, the employer who has any considerable number of men on his pay roll does, indeed, obtain from the aggregate of his wage-contracts more utility — a greater satisfaction of wants both intensively and extensively — than any one of his employees, but his gain is less than the total gains of all of them; and in any one contract it is smaller than the advantage received by the other party, the laborer.

As a matter of fact, the Schoolmen never made any consistent attempt to apply the principle of equality of gains to industrial contracts. When they declared that the community, or, more precisely, those members of it whose reputation for fairness was highest, was the most competent agency to determine the concrete price that would safeguard equality between buyer and seller, they also declared, as we have seen above, that the decision of the community, the social estimate, ought to be based upon the general utility, the relative supply, and the cost of production of the commodity. Now these are objective factors, but they are in no sense an expression or interpretation of the objective standard of equality of gains. A price fixed in accordance with them would not always — would

## A LIVING WAGE

never, perhaps — enable both exchangers to obtain the same amount of profit. Hence the Schoolmen's working criterion of just price implies a complete setting aside of their ideal standard. Indeed, their insistence on the cost of production as one of the determinants of the just price of goods was a recognition of the principle of a Living Wage; for cost of production in medieval industry was labor cost, the just measure of which was the customary needs of the class performing the labor. "With the canonists, this idea of class duties and class standard of comfort is either explicitly or implicitly referred to as final test in every question of distribution or exchange. Thus Langenstein — who, after being vice-chancellor of the University of Paris, was called to teach at the New University of Vienne in 1384 — lays down that everyone can determine for himself the just price of the wares he may have to sell, by simply reckoning what he needs in order to suitably support himself in his rank of life."<sup>1</sup> Thus, the Schoolmen measured the just price by a Living Wage, instead of basing the latter upon the former.

So much for the theoretical standard: the practical criterion, the "social estimate," is unsatisfactory, either as a justification or as a measure of the Living Wage. To begin with, it is too vague. Does it describe the unanimous, or morally unanimous, judgment of the community — what the older writers called the "sensus communis"? or, is it another

<sup>1</sup> Ashley, *op. cit.*, II, p. 391; cf. Brants, *op. cit.*, p. 119, where the text and reference are given; and Jansen, "Geschichte des deutschen Volkes," I, p. 447.

## A PERSONAL LIVING WAGE

name for "public opinion"? Does it mean custom? Possibly it refers to the deliberate judgment of a body of men chosen from the various classes, intellectual, industrial and religious, of the community. Let us see whether any of these social estimates will serve to-day as a working rule of industrial justice.

The first of them undoubtedly sanctions the *principle* of a Living Wage. Our knowledge of the average man's moral beliefs entitles us to assume that he holds, at least in the abstract, that the laborer ought to have the means of living comfortably and decently. But concerning the amount of subsistence goods comprised in the idea of a decent livelihood, the "sensus communis" lacks definiteness. The best that it can give us is a compromise derived from a multitude of individual or class estimates. We have, however, no means of ascertaining the content of this compromise, or average estimate, and, even if we had, we cannot be certain that it would be in harmony with reason and justice. In judging of the larger and more general questions of morality, the common convictions of mankind are sufficiently trustworthy; but in details its judgment is easily perverted by the influence of bad and long established custom.

Second, that somewhat capricious form of the social estimate, called public opinion, is vitiated by defects similar to those just enumerated. Its verdict concerning the precise requisites of a Living Wage will necessarily be too general, and too difficult of ascertainment. It is, moreover, essentially variable and therefore untrustworthy. Indeed, if we accept the press as its mouthpiece we must admit



## A LIVING WAGE

that it has not yet adequately declared in favor of even the *principle* of a Living Wage.

In the third place, it is undoubtedly true that a fairly definite standard of industrial justice is found in custom; but it is not a reliable standard. The custom of our time approves of wages that are insufficient to afford the conditions of a decent livelihood — witness the remuneration of the “sweated” classes. As we have already seen, the canonist, Reiffenstuel, accepted custom as a criterion, and arrived at the conclusion that justice did not require a man’s wages to be equivalent to a decent livelihood.

Finally, the pronouncement of a carefully selected and representative committee would, it is probable, be sufficiently definite and trustworthy. If the social estimate, thus understood, declared that every laborer ought to have a Living Wage, and defined what it meant by this phrase, its decision would probably satisfy all reasonable minds, and be the nearest approach to a correct estimate of a Living Wage that is practically attainable. The principles laid down and the wage awards made in 1918 and 1919 by the National War Labor Board constitute a fairly satisfactory illustration.

The theory which founds a Living Wage upon the principle of just price has been discussed at this length because the concepts and formulas underlying it dominated the industrial theory and practice of Europe for centuries, and because they are still quite common in ethical literature. One after another the Schoolmen of the Middle Ages asserted and expounded the principle that goods and labor



## A PERSONAL LIVING WAGE

had a certain just price. And they were right; for when we admit that a commodity can be sold at an exorbitant price we tacitly assume that it has some other price which is not exorbitant, which is just. An action cannot be adjudged wrong except by reference to some standard of right. The precise determination of that standard is another matter. The Schoolmen's' *theoretical* formulation of it — equality of benefit or gain for buyer and seller — is undoubtedly a particular application of the general principle that, since men are by nature equal, justice regards them as essentially equal in relation to their property, and demands that whenever private property changes hands (except in the case of gifts) equality should be maintained between the thing parted with and the thing received in return. "Aequalitas rei ad rem," was the Scholastic phrase.<sup>1</sup> According to this principle, property that has been unjustly taken away must be restored to the owner in its integral self or in its equivalent; and, secondly, in free exchanges the thing received should be equivalent to the thing transferred. This general statement is correct, expresses, in fact, the very essence of abstract justice between man and man; but, as we have seen, "equality between the things exchanged" cannot consistently with distributive justice be translated into "equal gains for the exchangers."<sup>2</sup> We have seen, too, that the Schoolmen never made any practical use of this theoretical

<sup>1</sup> See Costa-Rosetti, "Philosophia Moralis," thesis 107.

<sup>2</sup> In fact, it may be laid down as a general principle that the reciprocal gains ought to be *unequal* whenever, and to the extent that, such inequality will *reasonably offset or*

## A LIVING WAGE

interpretation of equality; and we may be pardoned the wish that certain modern writers would discard, not only it, but certain kindred phrases and concepts that are equally ambiguous and misleading. A French economist, M. Charles Perin, has observed that many theological writers have hesitated to accept the reasoning of Pope Leo's encyclical, according to which the minimum just wage is based upon the laborer's dignity as a person, and measured by his essential needs.<sup>1</sup> Apparently they dislike to part with traditional modes of expression, and so continue to repeat the old formulas about the laborer's right to a remuneration that is the "worth," or "equivalent," or "value," of his labor. In so far as these statements are true, they are truisms; in so far as they have any concrete, serviceable meaning they are not true. If, for example, the word value be taken in the sense of the actual economic, or market, value of labor, the statement in question becomes equivalent to the assertion that the laborer is justly treated whenever he receives the wages that are assigned to him by supply and demand, even though these may lie on the borderland of starvation. If *moral* value is meant the statement is correct, but not very illuminating, since it suggests no method of estimating the moral value of labor in terms of livelihood or wages. As to the *practical* interpretation of just price provided in the social estimate, it seems to have served very well for the correct previously existing inequality between the two parties.

<sup>1</sup> "Premiers principes d'économie politique," 2d edition, pp. 389, 390.

## A PERSONAL LIVING WAGE

small communities and simple economic relations of the Middle Ages.<sup>1</sup> When masters and men lived together in a relationship "like unto that of fathers and sons"; when the whole body of consumers and producers who were interested in arranging a scale of wages and prices was found within the limits of a small town; when the classes of goods and services that were to be appraised were few in number and simple in character; and when the standard of living was nearly uniform throughout the community — in these circumstances the "*communis aestimatio*" of the just price of labor was apt to be more or less precise, and could be readily made manifest to all concerned. Moreover, the social estimate often became crystallized into custom. It was, therefore, not only definite and patent, but more or less constant during long periods of time. And, since it was formed under the immediate and powerful influence or moral and religious teaching, it was in fairly close conformity with ethical ideals.<sup>2</sup> As a working rule of fair dealing, it is even to-day valid in principle; for it implies the essence of the arbitration idea, a disinterested body of judges; but it stands in need of a new and more precise formulation. Its limitations, too, must be kept in mind: it is not an absolute but a subjective expression of right; and it must, as the Schoolmen insisted, always take account of certain objective factors, among which are man's natural rights to life, liberty, and a becoming amount of the comforts of life.

<sup>1</sup> Cf. Ashley, "Economic History," I, p. 138.

<sup>2</sup> Cf. Ashley, *op. cit.*, II, 388.

## A LIVING WAGE

Finally, we come to the doctrine which deduces the laborer's right to a Living Wage from his personal dignity and his right to a decent livelihood.<sup>1</sup> It has been shown in the last chapter that, on account of his sacredness as a person, every member of a community has an abstract right to a decent livelihood, and that this right becomes concrete and actual when the material goods controlled by the community are sufficient to provide such a livelihood for all, and when the individual performs a reasonable amount of useful labor. It is assumed that the first condition is verified; and it is maintained that the second is fulfilled by the man who labors for hire during a working day of normal length. His general right to as much of the earth's fruits as will furnish a decent livelihood is clear; the correlative obligation of his fellow members of the community to appropriate and use the common bounty of nature consistently with this right ought to be equally clear. Now, the simple and sufficient reason why this general right of the laborer takes the special form of a right to a Living Wage, is that in the present industrial organization of society, there is no other way in which the right can be realized. He cannot find a part of his livelihood outside of his wages because there are no unappropriated goods within his reach. To force him to make the attempt would

<sup>1</sup> Cf. Rev. A. Pottier, "de Jure et Justitia," pp. 220-265; Verhaegen, "le minimum de salaire"; Pope Leo XIII, in "Rerum Novarum": "The preservation of life is the bounden duty of each and all, and to fail therein is a crime. It follows that each one has a right to procure what is required in order to live; and the poor can procure it in no other way than by their wages."

## A PERSONAL LIVING WAGE

be to compel him to live on less than a reasonable minimum. And the obligation of paying him this amount of wages rests upon the members of the industrial community in which he lives; for they have so appropriated the resources of nature, and so distributed the opportunities and functions of industry, that he can effectively realize his natural right of access to the goods of the earth only through the medium of wages. As long, therefore, as the present organization of industry exists, the obligation of not hindering the laborer from enjoying his right to a decent livelihood will be commuted into the obligation of paying him a Living Wage.

The right to a Living Wage is asserted to be valid against "the members of the community in which the laborer lives." Whether the term "members" refers merely to the employers, or to other persons as well, or to the community in its civil capacity, that is, the State, will be fully discussed in later chapters. For the present it is sufficient to point out that the right exists, and that it holds against those who are responsible for converting the laborer's opportunity of getting a living into the opportunity of receiving wages. "The industrial community in which the laborer lives" can be defined only approximately. It describes that section of the world's inhabitants with which the laborer comes into somewhat close economic relations, chiefly, those who are primarily benefited by his labor, and those who have appropriated that portion of the earth's resources that otherwise would be practically within his reach. Evidently these classes

## A LIVING WAGE

or persons are under obligations of justice toward the laborer that are shared only slightly, if at all, by men living on another continent. The latter may, indeed, have been beneficiaries of the laborer's toil, but they cannot practically do anything toward securing to him a Living Wage, beyond paying a fair price for his product; besides, they are under more pressing industrial obligations toward their immediate neighbors. It is also true that they have appropriated some of the common bounty of nature to which the laborer on the other side of the globe has, as one of the children of men, an indefinite birth-right; owing, however, to the intervening distance, they have not vitally interfered with the realization of this right. Men's rights and obligations respecting their common heritage of material goods must be applied and interpreted with a reasonable regard to their various conditions of place, possession, ability, and opportunity.

One of the principal reasons why the right to a Living Wage has been obscured in the minds of many men is the complexity of modern economic life. An example or two will illustrate this contention. Let us suppose that six men settle upon a no-man's land, and proceed to divide it amongst them. Although it is capable of affording a comfortable livelihood for all six, five of them—an undoubted majority—organize a government, and divide the land in such a way that the portion allotted to the sixth will barely keep him alive. Each of the other five is thus enabled to enjoy something more than a decent livelihood. Now, it is safe to

## A PERSONAL LIVING WAGE

say that ninety-nine of one hundred men would condemn this proceeding as unjust. They would maintain that the right of the sixth man to the whole amount of land distributed was just as good as the right of any of the others, and that no reason, title, or justification existed for depriving him of an equal share, when that much was essential to a decent livelihood. Imagine, now, a company of fifty men taking up their abode on a territory that no man has previously visited or claimed. Instead of dividing up the land, they till it in common, and distribute its produce. Not all of them, however, labor upon the soil; there is a shoemaker, a weaver, a tailor, a carpenter, and so on; every man performs the task for which he is best fitted. But the distribution of their common product is so carried out that forty-five can live in abundance, while the remaining five have merely the means of continuing to exist and work. The services of these latter, so the other five assert, are not *worth* more than this pittance. Again it is palpable that the common product of a common property has been unjustly apportioned by the arbitrary action of the majority; for the five, we assume, perform a reasonable amount of useful labor. The case is precisely the same, at least in principle, in the more complex and elaborate industrial conditions of to-day: the members of a community who are in control of its land and resources violate the laborer's right to live decently out of the common bounty of nature when they so take advantage of the existing distribution of private property as to deny him a Living Wage. In exercising their



## A LIVING WAGE

right of access to the earth, they make it impossible for the laborer to exercise his as fully as is demanded by decency and justice. And they do it just as effectively, they are as truly responsible for the laborer's inability to enjoy his natural right, as the greedy and arbitrary majority in the above mentioned examples. For the laborer, generally speaking, is as little able to change his location as are the harshly treated members of those two isolated communities. A few workingmen could, indeed, find a living elsewhere, but the overwhelming majority must stay where they are, or merely exchange places with one another,—unless the whole machinery of industry is to stop, and mankind to perish off the face of the earth. The controllers of the industries and material resources of a community cannot get along without wage-workers; rather than make the attempt, they would gladly pay every one of them a Living Wage; which is a clear indication that they regard the laborer as really *worth* that amount. Hence the complexity of the present industrial system obscures, but in no way annuls, either the rights of the laborer, or the correlative obligations of his fellow citizens.

Another cause of the prevailing indifference toward these rights and obligations is ignorance and neglect of the common, or social, aspect of property. All too general is the notion sanctioned by the definitions of property in the Roman Law and in the Civil Code of France, that a man has a right to do with his own what he pleases.<sup>1</sup> Such a claim

<sup>1</sup> Cf. "Propriété, capital, et travail," by L'Abbé Naudet, pp. 29-31.



## A PERSONAL LIVING WAGE

is obviously absurd, since men have not a right to do as they like with their faculties, to say nothing of the bounty of nature which was created for the benefit of all. They have a right to do with their own only that which is consistent with the rights of others. The private proprietor too often forgets that his right of ownership is valid only as a means to his right of use, and that the latter is a right common to all mankind, which he is obliged to interpret and exercise within such limits that its realization shall be possible for his fellow men likewise. He forgets that when he appropriates a portion of the earth's resources for his own use and benefit he diminishes by that much the amount available for private ownership by the rest of men. He forgets that his less fortunate neighbors, among whom must be counted the laborers, have, on account of their inborn right of access to the world's material goods, some sort of claim to that part thereof which he calls his own. The exaggeration of the scope of individual ownership, and of the ability of the propertyless man to take care of himself in the competitive struggle, has converted into a maxim of business ethics the contention that employer and employee have no property rights against each other except those expressly named in the labor contract. The fact that a contract may be the *occasion* of a right which it does not explicitly provide for, is entirely overlooked. It is forgotten that the laborer enters the wage-contract as a man endowed with a natural and indestructible right to a decent livelihood, which the contract renders impossible of real-

## A LIVING WAGE

ization except through the medium of wages. His right to a Living Wage is merely the former right as modified and determined by the contract. In so far as it is valid against his employer, it is produced neither by his contract with the latter nor by his right to a decent livelihood, taken separately, but by the two in conjunction.

A truer and more humane conception of the relation between the right of individual ownership and the right of use, and of the duties of the private proprietor, was developed and fostered in medieval society. The Christian doctrine that private ownership is not an absolute right, but merely a form of stewardship, according to which the individual holds his wealth from God and is obliged to administer it for the benefit of others, as well as of himself, was more frequently preached, and more generally and vitally accepted than it is to-day.<sup>1</sup> In the thirteenth century, we find Pope Clement IV permitting strangers to occupy and till the third part of any estate which the proprietor refused to put under cultivation himself. Pope Sixtus IV, in the fifteenth century, made the same regulation with regard to domains in the Papal territory.<sup>2</sup> Here we have a clear recognition of the principle that a man has not a right to do what he pleases with his own, but only that which is consistent with the right of common ownership in his needy neighbors. Every man performing a function in the medieval organization of industry, the lord of the land, the free

<sup>1</sup> Cf. Cunningham, "Western Civilization," II, pp. 104-107.

<sup>2</sup> Cf. Naudet, *op. cit.*, pp. 35, 36.

## A PERSONAL LIVING WAGE

tenant, the villain, the serf, the merchant, the master-craftsman, the journeyman, the apprentice, was regarded as rendering a *social* service. In return for this contribution to the community, the individual had a right, according to medieval theory, to security in his position or status, and to the means of living in conformity with the customs of his social rank.<sup>1</sup> This, again, was merely the doctrine of man's right to a living from the bounty of the earth, applied to the conditions of medieval society. Concrete assertions of the same principle are heard to-day in the claim of the laborer that he has a right to work and a right to the job that he has held for a considerable time; in the conviction of the employer that his workmen commit an act of *injustice* when they arbitrarily quit work; and in the contention of the independent dealer or manufacturer that he has a right to the business of which he is deprived by the practice of temporary underselling pursued by the trust. The principle underlying all these beliefs, medieval and modern, is that formulated by Aristotle as a canon of social expediency, "it is best to have property private, but to make the use of it common"; and by Aquinas as a requirement of justice, "it is right that the ownership of goods should be private, but the use of them ought to be common, so that the owner may readily minister therefrom to the needs of others."

To the objection that some laborers possess other means of living in addition to their labor power,

<sup>1</sup> Cf. Weiss, "Apologie des Christenthums," IV, 368, sq.; Ashley, "English Economic History," II, pp. 389-393.

## A LIVING WAGE

the answer is that these are rather rare exceptions. Whether they also have a right to a Living Wage, is of comparatively small importance. Still it would seem that the question ought to be answered in the affirmative, since they perform as much labor as their less fortunate fellows. At any rate, there are good social reasons for paying them as much as is received by the other workers of their group.

A word will not be out of place concerning the wage-rights of women and children. According to the foregoing reasoning, it is evident that those women who are forced to provide their own sustenance have a right to what is a Living Wage for them. Since they have no other way of living but by their labor, the compensation therefor should be sufficient to enable them to live decently. Again, women doing the same work with the same degree of efficiency as men in occupations where both sexes are employed, have a right not merely to a woman's Living Wage, but to the same remuneration as their male fellow workers. Distributive justice requires that equally competent workers be rewarded equally. Moreover, when the women receive less pay than the men the latter are gradually driven out of that occupation.<sup>1</sup> Unless we hold that an increase in the proportion of women workers is desirable, we must admit that social welfare would be advanced by the payment of uniform wages to both sexes for equally efficient labor.<sup>2</sup>

<sup>1</sup> Cf. Smart, "Studies in Economics," chapter on "Women's Wages."

<sup>2</sup> Cf. Fairbanks, "Introduction to Sociology," p. 148.

## A PERSONAL LIVING WAGE

Children of either sex who have reached the age at which they can, without detriment to themselves or society, become wage earners, but who cannot perform the work of adults, have a right to a wage sufficient to afford them a decent livelihood. They are entitled to this because their wages, generally speaking, constitute their sole source of maintenance. It must be noted that a Living Wage for children refers to their essential needs as members of a family, not to the requisites of boarding-house life, as this is not the condition in which working children are usually placed. Finally, children of either sex who perform the work of adults ought to receive the wages of adults, for the same reasons that justify the payment of men's wages to equally efficient women.<sup>1</sup>

<sup>1</sup> In speaking of a Living Wage, whether for men, women, or children, it is assumed that they are employed during the whole of the working time of the year. Consequently, women who are obliged to devote all their attention to household duties for a considerable portion of the year, and children who attend school, are not entitled to a Living Wage for the entire year. As we shall see, their right to a Living Wage must be secured in another way.

## CHAPTER IV

### THE RIGHT TO A FAMILY LIVING WAGE

The controversy regarding the attitude of Pope Leo's Encyclical toward a family Living Wage. Cardinal Zigliara's peculiar interpretation of the principle of equivalence. His argument from the family's relation to the work done by the husband and father. The theory that a wage sufficient for family maintenance is due merely as a matter of social utility. The theory that bases it on "equity." And on the social estimate. A family Living Wage is due to the adult male laborer because of his dignity as a man and his essential needs. An objection answered. The family Living Wage is a uniform quantity, and is due to all adult male laborers. The size of family to be taken as a measure of this wage.

When Pope Leo XIII, in his encyclical, "On the Condition of Labor," declared that the remuneration of the workingman ought to be at least sufficient "to support him in reasonable and frugal comfort," a discussion immediately arose among Catholic moralists as to whether the phrase just quoted was intended to cover the conditions and requisites of family life. Those who held to the affirmative cited in confirmation of their position the following passage, which occurs in the next paragraph of the encyclical: "If a workman's wages be sufficient to maintain himself, his wife, and his children in rea-

## A FAMILY LIVING WAGE

sonable comfort, he will not find it difficult . . . to put by a little property." ]

Unquestionably the hypothetical wages referred to are assumed to constitute the compensation that is *normal*, but there is no explicit assertion that so much is due the laborer as a matter of *justice*. Within a few months after these words were written, a letter was addressed to the Holy See by the Archbishop of Malines, Cardinal Goossens, asking whether an employer would do wrong who paid his men a wage sufficient for personal maintenance, but inadequate to the needs of a family. Pope Leo did not himself send any official response, but referred the matter to Cardinal Zigliara, who replied that the employer in question would not violate justice, but that his action might sometimes be contrary to charity, or to natural righteousness. At present all Catholic writers on the subject hold that the employer is under moral obligation to give the workman a wage that will maintain his family as well as himself, but they do not agree that this obligation falls under the head of justice. In other words, some of them deny that the laborer has a strict right to a family Living Wage.<sup>1</sup>

Cardinal Zigliara's explanation of his decision leaves something to be desired, both in clearness and in conclusiveness. He says that when a relation of equality exists between the labor performed and the compensation received the demands of jus-

<sup>1</sup> A critical review of this discussion will be found in Vermeersch, *op. cit.*, pp. 530-554. Cf. also, Turman, "Le Catholicisme sociale," pp. 58-68.



## A LIVING WAGE

tice are fully satisfied; and he plainly intimates that this condition is verified when the laborer is paid merely an individual Living Wage. According to this reasoning, the minimum means of a decent livelihood is likewise the maximum that any laborer can claim as a matter of justice. A Living Wage is in all cases a completely just wage. As this aspect of the wage problem does not come within the scope of our argument, it is given merely a passing mention to show the danger of attempting to base the right to a Living Wage upon assumptions of equality between labor and remuneration. He says that in labor-contracts the rule of equality must be interpreted with reference to the laborer's duty of self-support. The remuneration must be adequate, *equal*, to this end; hence the relation of equality has for one term the laborer's wages, and for the other his purely personal needs. In the last chapter something was said concerning the ambiguity to which the principle of equivalence is liable: the interpretation that we are considering looks like an abandonment, or, at least, an essential transformation of it; for the equality required is no longer between the things exchanged, labor and pay, or between the net gains of the two contracting parties, but between compensation and the laborer's welfare. The Cardinal defends his interpretation on the ground that human labor, being the product of a *person*, is of much greater dignity than merchandise, and ought not to be measured by precisely the same standard of contractual justice. Not merely the work itself, but the human doer of it, must be taken into account



## A FAMILY LIVING WAGE

in determining its just equivalent. Undoubtedly; but why should it be assumed that a just equivalent is found in the bare essentials of decent living outside of the married state? Since the laborer has many other needs, the satisfaction of which is morally legitimate, does it not seem just that his wage should be capable of meeting all, or, at least, the more important of them? Ought it not to be the equivalent of a comfortable and care-free family life, of a college education for his children, an annual pleasure trip for himself and wife, and, for all of them, ample opportunities of cultivating the higher life? The assertion that the equivalence that ought to exist between pay and work is realized when pay equals a personal Living Wage, is really very like a begging of the main question. As an interpretation of the equality principle, it is quite as arbitrary and quite as incapable of proof as the one advanced by Father Antoine and noticed in the last chapter, namely, that the remuneration ought to be equivalent to the labor-force expended.

Cardinal Zigliara says further that, since the product for which the laborer is paid is not participated in nor increased by his family, justice does not require that his remuneration should be increased on their account. But those who defend the laborer's right to a family Living Wage do not declare it from any relation, real or assumed, between his family and the work that he performs or the employer that he serves. They derive it from his own dignity as a man. It is a personal prerogative which has, however, his family as a secondary bene-

## A LIVING WAGE

ficiary. The Cardinal admits and maintains that the laborer has a right to a wage sufficient for his support outside of the marriage relation. Now this means that the laborer will give a part of his earnings to some merchant in exchange for the clothes that he wears, making the merchant to that extent a secondary beneficiary of his wages; yet Cardinal Zigliara would not have argued that, since the clothier has nothing to do with the work performed by the laborer, the latter has no right to the portion of his remuneration thus expended. Neither does it follow that he has not a right to the measure of wages necessary to provide for his family. The two cases differ, indeed, in degree, but they are alike in principle. In both the primary purpose of the right asserted is the welfare of the laborer himself, while the secondary end is in the former case the clothing merchant, and in the latter the laborer's family. As a matter of fact, the argument that we are criticizing looks like a different interpretation of the equivalence principle than the one discussed in the preceding paragraph. It points logically to the conclusion that the laborer has a strict right merely to the amount of compensation that will keep in repair those physical forces that are essential to the performance of his task. According to this interpretation, the relation of equivalence is not between wage and reasonable personal needs outside of the married state, but between wage and expended labor-force; and the laborer has a right, not to compensation that will support him in "reasonable and frugal comfort," but to that which will provide him

## A FAMILY LIVING WAGE

with the bare necessities of life and working efficiency.

Father Antoine deduces the laborer's claim to a family Living Wage from considerations of social welfare.<sup>1</sup> In any rightly ordered society the father is the natural provider for all the members of the family; if he lacks the means of performing this duty adequately the result is pauperism, crime and other social evils. Hence the laborer who is the head of a family ought to receive compensation sufficient for the becoming maintenance of his wife and children. This much is due him from his employer, not by any relation of strict justice — for under this head the laborer can claim merely the means of repairing expended energy — but as a matter of “natural righteousness” or decency (“*honnêteté naturelle*”). Because of his relation to society on the one hand, and to his employees on the other, the employer is *morally* bound to discharge this task. Concerning this argument it will be sufficient to say that the positive part of it is entirely sound; for social welfare does require that the married laborer should command the means of properly providing for his family, and that the employer should furnish these means; while the assertion that this minimum of remuneration is not due the laborer by a title of strict justice, is based on the assumption, already criticized, that the equivalence between work and pay demanded by justice is fully satisfied by a wage that replaces the output of labor-force.

<sup>1</sup> Op. cit., p. 606.

## A LIVING WAGE

According to Father Castelein, the value of a man's labor is always equivalent to an individual Living Wage, but not necessarily to a remuneration that will provide for the needs of a family. After the laborer has been paid a wage sufficient for personal maintenance, and after the other factors of production have been fairly remunerated, there will normally remain a certain gross profit which in "general justice," or "equity," ought to be divided between employer and employee. If this distribution is fairly carried out the laborer will, generally speaking, receive sufficient for his family's support. Like Father Antoine's, this view is correct on its positive side, but its denial of the laborer's *right* to anything more than the means of personal maintenance is but feebly defended by its champion. When Father Castelein turns from his perplexing and ineffective discussion of the kind of justice that is involved, he admits that a family Living Wage is due the laborer because of his dignity as a man.<sup>1</sup>

Father Vermeersch asserts that the social estimate, which is always the proximate determinant of the just price of labor, regards the labor of the head of the family as worth at least a family Living Wage. He does not, however, content himself with this argument. If the laborer, he says, fails to secure this amount his personal independence, or personal dignity, is ignored; the exercise of some of his most essential powers and faculties is hindered; his fundamental right to the use of the world's goods is violated.<sup>2</sup> The validity of the argu-

<sup>1</sup> Op. cit., pp. 376-395.

<sup>2</sup> Op. cit., thesis 29.

## A FAMILY LIVING WAGE

ment from the social estimate has been sufficiently criticized in the last chapter. The argument from the personal dignity of the laborer, however, is sound, — is, in fact, the only one that rests securely on the fundamental principles of natural justice.<sup>1</sup>

For the laborer who complies in a reasonable degree with nature's universal law of work, has a natural right to at least the minimum of the material conditions of decent and reasonable living. This proposition has received ample development and defense in foregoing chapters. Now a decent and reasonable life implies the power to exercise one's primary faculties, supply one's essential needs, and develop one's personality. Self-preservation is undoubtedly the "first law of nature," but, if the experience of the race is any criterion, self-propagation is the second. At least, it is the expression of one of man's primary and strongest instincts. One of his most essential needs is the permanent love and companionship of a person of the opposite sex. The marriage state is not so imperatively necessary for right living as is security of life and a decent personal livelihood, yet it is of primary importance. The difference between these three needs is merely one of degree. All must be satisfied in the average man before he can live a reasonable and normal life. Without a religious vocation, the majority of men cannot reach a proper degree of self-development outside of the conjugal state. This is not to say that the man who has not been supernaturally called

<sup>1</sup> Among the ablest presentations of this view are those of Pottier and Verhaegen in the works already cited.

## A LIVING WAGE

cannot be celibate and chaste — a doctrine becoming only to the foul of mind and weak of will — but it means that for the average man celibacy is not normal, and consequently cannot be taken as a measure of reasonable and natural rights. The man who is forced by poverty to accept it supports an unnatural and unjustifiable burden, and is deprived of one of the chief means of normal self-development. Hence, “the minimum of the material conditions of decent and reasonable living” comprises, for the adult male, the means of supporting a family. To this much of the world’s goods he has a natural right which is valid “against the members of the industrial community in which he lives.” In the case of the laborer this claim must be formulated in terms of wages. To resume: the laborer has a right to a family Living Wage because this is the only way in which he can exercise his right to the means of maintaining a family, and he has a right to these means because they are an essential condition of normal life.

It has been objected that according to this reasoning, the laborer would be entitled to a wage sufficient to support his infirm and needy parents. To care for them is both his duty and his right; consequently he has a right to the one means adequate to this end, an increased remuneration for his labor. The cases, however, are not in all respects parallel. The right to become the head of a family is essentially different from the right to support infirm parents. The former is a necessary condition of normal and reasonable self-development, and implies the right

## A FAMILY LIVING WAGE

to the material goods required for its realization. The right to the means of maintaining a family, therefore, is not finally derived from the *duty* of maintaining it — from the needs of the family — but from the laborer's *dignity*, from *his own* essential needs. True it is that if the support of wife and children did not in the normal order of things fall upon the husband and father, he would not have a right to the additional remuneration required for this purpose; but this merely shows that the duty is the occasion, or condition, not the ultimate cause of the right. The right to the conditions of being the head of a family, which is obvious, implies the right to a family Living Wage, because nature and reason have decreed that the family should be supported by its head. But the right to support one's needy parents rests upon an entirely different basis. Its existence is not an essential condition of right and reasonable life; for in the normal order of things the parents themselves will have, or should have, taken precautions against such an emergency. And, as rights are not to be interpreted by the abnormal and exceptional exigencies of existence, the laborer cannot justly claim an increased wage on account of them.

It is held by some that the laborer's remuneration should vary with the size of his family, but this seems an undesirable way of measuring it. There are many reasons why the cost of rearing the family should be regarded as a unit, and the laborer's wages as a uniform rate. Then the cost of maintaining himself and wife until death and the children



## A LIVING WAGE

until they are of an age to be self-supporting, divided by his working time as an adult in full vigor, will give in terms of money the family Living Wage. Hence the laborer who is not yet married has a right to this family wage, and not merely to a remuneration that will suffice for his present needs. The difference should be reckoned as a necessary provision for marriage, and, therefore, as slightly diminishing the rate of pay that otherwise would be necessary as soon as the laborer entered the conjugal state.

Moreover, the right to a family Living Wage belongs to every adult male laborer, whether he intends to marry or not; for rights are to be interpreted according to the average conditions of human life, and these suppose the laborer to become the head of a family. There is, too, a good social reason for treating married and unmarried alike in the matter of remuneration. If employers were morally free to pay single laborers less than a family Living Wage they would strive to engage these exclusively, and perhaps to exact a promise that they should not marry. Thus a premium would be placed upon a very undesirable kind of celibacy.

The family that it seems reasonable to take as a basis for estimating the proper remuneration of the husband and father, is that containing the average number of children found in workingmen's families. This standard is not entirely satisfactory, since it not infrequently happens that the mathematical average is exceeded in a large number (a majority sometimes) of the families of a place, but it seems



## A FAMILY LIVING WAGE

to be the best that is available. We cannot take "the number of children that is usual," as suggested by Father Vermeersch,<sup>1</sup> for the expression has no precise meaning; no such number exists. In five different groups of full-grown families (1636 in all) described in the Sixth and Seventh Annual Reports of the United States Commissioner of Labor, the following facts are to be observed: the number of children per family in a bare majority of the families of three of the groups, was represented by three different figures; in the other two groups the "usual number" was four different numbers. The problem will be made somewhat more definite by an example: in one group, consisting of 832 families, the numbers most frequently recurring were three, four, and five; that is to say, there were 149, 128, and 121 families containing respectively three, four, and five children. Now it could scarcely be said that the "usual number" of children per family in that group was from three to five, for all these families combined were less than a majority. The average number, therefore, seems to be the only serviceable criterion. Or, if that seems too low, since a majority of the families considered might be larger than the average indicates, the highest number that is found in a considerable proportion of the families, might be adopted as the standard. In the group just referred to, the average number of children per family was 4.3, while the number in one-third of the families (347) was five or more. The estimates of a family Living Wage made on the basis of these

<sup>1</sup> Op. cit., pp. 577, 578.

## A LIVING WAGE

two numbers would not be far apart. Hence it is sufficiently accurate to say that the family that ought to serve as a standard of measurement in the matter of decent remuneration for the adult male laborer, is one having four or five children.

NOTE TO SECOND EDITION. — Certain reviewers have contended that, as the immediate object of the labor-contract is the work done, this, and not a family livelihood, is the term to which strict justice requires the wage to be equivalent. Now, the “work done” is either to be taken *objectively*, — divorced entirely from the needs and sacrifices of the doer, — or it is not to be so taken. In the former hypothesis, the market rate of wages must always be regarded as just; in the latter, the “family needs” of the laborer have as valid claims to be considered as have those individual needs which are not met by the market rate, yet which must be met if he is to live decently. But the author prefers to discard the “equivalence” concept entirely, and to regard the difference between the current rate and a family Living Wage, as due the laborer in virtue of his own personal dignity and the *distributive* function of the employer. Because of this function, his generic obligation so to use the resources of the earth that his neighbors will be able to obtain on reasonable conditions a decent livelihood therefrom, becomes a specific obligation to pay his employees a family Living Wage. In a sense this obligation seems to belong to distributive justice; nevertheless it is one of strict justice, precisely as is the obligation of not imposing upon any individual a disproportionate amount of taxes.

## CHAPTER V

### A CONCRETE ESTIMATE OF A LIVING WAGE

A more precise determination of a "decent livelihood" necessary. It can be made with sufficient exactness for practical needs. A decent livelihood may be taken either absolutely or relatively to the conventional needs of a class. Estimates by various authorities of a decent livelihood in terms of goods. The slight discrepancies due to different viewpoints. Detailed statement of the elements of decent living for every section of the family. Various estimates of the money measure of a Living Wage at different times during the last fifteen years. The question whether the proportion of workers getting less than Living Wages has declined in that period.

According to the argument of the last chapter, a decent livelihood for the adult male laborer means a wage capable of maintaining himself, his wife, and those of his children who are too young to be self-supporting, in a condition of reasonable comfort. (Henceforth when the phrase, "a decent livelihood," and "a Living Wage," are used without qualification they are to be understood in this sense.) The question naturally arises, what precisely does this imply in terms of goods or money? Unless an attempt is made to answer it, the whole discussion

## A LIVING WAGE

of wage-rights and obligations remains too abstract, too vague, to be of much practical value. There would, in fact, be some force to the objection that all the workingmen of America are even now paid a Living Wage.

Evidently the question before us cannot be answered with absolute precision. The needs of men and their powers of making an effective use of a given amount of goods or money are too dissimilar to find a perfectly exact expression in any common denominator. And even if a common rate of wages would bring precisely the same degree of comfort to all the families depending upon it, there remains the supreme difficulty of translating "reasonable comfort" into more concrete terms. In all probability the individual estimates of no body of men, however competent and well meaning, would be in entire agreement. And no prudent person would assert that a slight deduction from the amount that he regarded as certainly sufficient for a decent livelihood would render the remainder certainly insufficient. Nevertheless, the question can be answered with sufficient definiteness to safeguard the human dignity of the laborer and his family, and that is all that any one cares to know. We can distinguish twilight from darkness, although we cannot identify the precise moment when the one merges into the other. Though we cannot say just when artificial light becomes more effective than that of the waning day, we usually call it into service before the approaching darkness proves notably inconvenient. Thus it is in the matter of a Living Wage. Some

## ESTIMATE OF A LIVING WAGE

rates of remuneration we know to be certainly adequate, and others to be no less certainly inadequate. While we may not be able to put our finger on the precise point of the descending scale at which the rate ceases to be sufficient, we can approximate it in such a way that the resulting inaccuracy will not produce notable inconvenience. We can, at least, define a limit below which it is wrong to go, while not committing ourselves to the conclusion that the limit is sufficiently high. In other words, a wage under the limit would be regarded as certainly too low, but a wage at the limit, as doubtful. An estimate of this character can be so formulated as to have a very high practical value.

A decent livelihood may be understood either absolutely or relatively. In the former sense it is an unvarying standard that is applicable to all conditions of human existence. It takes no account of needs based on custom or on any subjective appreciation of the requisites of welfare, nor does it make any allowance for the possibilities of progress. It is measured solely by man's essential and universal needs, and describes in general terms the requisites of normal and reasonable human life. And it may obviously be either below or above what is known as the *conventional* standard of a community. For example, the men and women of America could live decent and becoming lives, absolutely speaking, without wearing shoes during the summer season. On the other hand, a conventional standard of living, though satisfactory to the people with whom it obtains, may fall short of the absolute norm. If the

## A LIVING WAGE

description given in Dicey's "Peasant State" is correct, a large class of the inhabitants of Bulgaria, apparently contented, do not live reasonable human lives.<sup>1</sup> They have not the means of exercising that minimum of activity, physical, intellectual, and moral, which should differentiate the life of men from that of beasts.

While the conditions of existence indicated by the absolute standard constitute a minimum below which it is wrong for men to descend, they are not *sufficient* for decent living in the case of most civilized communities. Man is everywhere affected by two classes of needs: objective, or natural; and subjective, or acquired.

Through the influence of habit or custom he comes to regard certain of these acquired needs as essential elements of a decent standard of life. They differ relatively to different races, communities, ranks and classes of men, but to the persons among whom they have been developed they are of vital importance. Hence a decent livelihood, or a Living Wage, must conform in a reasonable degree to the conventional standard of life that prevails in any community or group. For, in order to live becomingly, men must possess not only those goods that are objectively necessary, but in some measure those that they think are necessary. Indeed, the latter may become more indispensable to decent living than some of the things that are objective and primary; for men will sometimes procure them at the expense of the others. Thus, many persons, men as well as women,

<sup>1</sup> Quoted in Mrs. Bosanquet's "Standard of Life," p. 9.

## ESTIMATE OF A LIVING WAGE

will deprive themselves of necessary food rather than appear among their neighbors in garments that are not in accordance with the conventional modes. At any rate, the inability to satisfy the more important of the conventional needs always involves a grave injury to self-respect, and therefore subjects human beings to hardships that are incompatible with normal and reasonable living. Finally, owing to the development of new wants, a decent livelihood now may be below the standard of decency that will prevail ten years hence. To ignore the newly developed wants then would be as harmful as to ignore existing wants now; hence a Living Wage is relative not only to the community or class, but to its different stages of development.

The content of a Living Wage for the laborers of America will be described first as a certain quantity of goods and conditions of living, and then in terms of money. The following estimates will prove suggestive and helpful:

“Undoubtedly the first moral charge on the national income is such a sum as is necessary to bring up a family, providing for health, education, efficiency of work, and the conditions generally of a moral life. Anything below such a level subjects human beings to hardships and temptations to which they should not be exposed, and to conditions in which men and women are not free but in bondage to physical wants. If the present system, or any system, did not promise this at some not distant period, we should have to say, like Mill, that, if this or communism were the alternative, ‘all the



## A LIVING WAGE

difficulties, great or small, of Communism would be but as dust in the balance.'"<sup>1</sup>

"The necessities for the efficiency of an ordinary agricultural or of an unskilled town laborer and his family, in England, in this generation, may be said to consist of a well-drained dwelling with several rooms, warm clothing, with some changes of under-clothing, pure water, a plentiful supply of cereal food, with a moderate allowance of meat and milk, and a little tea, etc., some education and some recreation, and lastly, sufficient freedom for his wife from other work to enable her to perform properly her maternal and her household duties. . . . In addition, perhaps, some consumption of alcohol and tobacco, and some indulgence in fashionable dress are in many places so habitual that they may be said to be conventionally necessary, since in order to obtain them the average man and woman will sacrifice some things that are necessary for efficiency." <sup>2</sup>

Professor Munro defines a Living Wage as, "a yearly wage sufficient to maintain the worker in the highest state of industrial efficiency, and to afford him adequate leisure to discharge the duties of citizenship." <sup>3</sup>

Mr. Devas summarizes the minimum livelihood that should be guaranteed to all workers thus: the means of physical existence; practical possibility of marriage; separate homes; insurance against sick-

<sup>1</sup> Smart, "Studies in Economics," p. 302, note.

<sup>2</sup> Marshall, "Principles of Economics," Bk. II, ch. IV, sec. 2.

<sup>3</sup> "Economic Journal," June, 1894, p. 365.



## ESTIMATE OF A LIVING WAGE

ness, old age, and industrial accidents; and some access to the treasures of literature, art and culture.<sup>1</sup>

The Interdenominational Conference of Social Service Unions of Great Britain made this declaration in 1917: "In an industrial system such as ours, the right to life practically resolves itself into the right to a Living Wage, by which we mean not a mere subsistence wage but a wage sufficient to maintain a reasonable standard of life."

Justice Higgins of Australia declares that wages are not reasonable unless they are adequate to "the normal needs of the average employee, regarded as a human being in a civilized community."

Professor Patten holds that the workingman has a right to a home; to become the head of a family; to self-development; to a share in the social surplus sufficiently large to make him comfortable; to the leisure that is necessary for the revival of physical and mental powers; to recreation for the sake of symmetrical development; to cleanliness in and about the home; and to some development of his sense of the beautiful.<sup>2</sup>

According to President Gompers of the American Federation of Labor, a Living Wage is, "a wage which, when expended in the most economical manner, shall be sufficient to maintain an average sized family in a manner consistent with whatever the contemporary local civilization recognizes as indispensable to physical and mental health, or, as re-

<sup>1</sup> "Political Economy," p. 498, 2d edition.

<sup>2</sup> "The Theory of Prosperity," pp. 218-227.

## A LIVING WAGE

quired by the rational self-respect of human beings.”<sup>1</sup>

“In cities of from five thousand to one hundred thousand inhabitants,” says President Mitchell of the United Mine Workers, “the American standard of living should mean, to the ordinary unskilled workman with an average family, a comfortable house of at least six rooms. It should mean a bathroom, good sanitary plumbing, a parlor, dining-room, kitchen, and sufficient sleeping-room that decency may be preserved and a reasonable degree of comfort maintained. The American standard of living should mean, to the unskilled workman, carpets, pictures, books, and furniture with which to make his home bright, comfortable, and attractive for himself and his family, an ample supply of clothing suitable for winter and summer, and above all a sufficient quantity of good, wholesome, nourishing food at all times of the year. The American standard of living, moreover, should mean to the unskilled workman, that his children be kept in school until they have attained the age of sixteen at least, and that he be enabled to lay by sufficient to maintain himself and his family in times of illness, or at the close of his industrial life, when age and weakness render further work impossible, and to make provision for his family against premature death from accident or otherwise.

“This, or something like this, is the American standard of living, as it exists in the ideals of the unskilled workingmen. . . . For the great major-

<sup>1</sup> “The American Federationist,” April, 1898.

## ESTIMATE OF A LIVING WAGE

ity of men, who are willing to work and are not incapacitated by physical, mental, or moral defects, the manner of living above described is an approximate statement of what their standard should be; and with the great productivity of American labor, I believe it not unreasonable to say that these things should now be possessed by every workingman, however unskilled.”<sup>1</sup>

Father Vermeersch’s estimate of the content of a Living Wage is as follows: moderate food, clothing and shelter for the laborer and his family; festival days and some recreation; proper education for the laborer’s children; and suitable provision against accidents, disease and old age.<sup>2</sup>

All of these estimates, however various the terms in which they are formulated, are in tolerably close agreement, except in the matter of provision for sickness, disability and old age. The cause of this discrepancy lies in the different viewpoints from which the problem is regarded. Writers who have in mind the requisites of *social* welfare, as Marshall and Munro, consider the Living Wage primarily in relation to the laborer’s industrial efficiency. They do not take account of his needs during the time when he is unable to work because they are not describing what he ought to have as a man, but what he requires as an instrument of production. This is, of course, an entirely proper subject of inquiry, just as is the cost of keeping a machine in repair or a horse in a condition of health and

<sup>1</sup> “Organized Labor,” pp. 116, 117.

<sup>2</sup> “Quaestiones de Justitia,” p. 576.

## A LIVING WAGE

strength, but it has no necessary relation to that measure of the requisites of living which is due to the laborer as a man and an end in himself. The question that we are concerned with is not what a man must have in order to be a profitable producer, but what he ought to have as a human being. The estimates referred to, however, are instructive, inasmuch as they indicate that in the long run social utility and the demands of individual justice are in substantial accord.

The following is submitted as a rough estimate of the minimum amount of goods and opportunities that will suffice for decent living and the rearing of a family :

1. Food, clothing and shelter for the laborer and his family until his children are old enough to become wage earners.

(a) The Children. It was stated in the last chapter that the average number of children found in the workingmen's families of full growth, is the only practicable standard for estimating the extent of the family's needs under this head. A study of the families for which statistics are presented in the "Cotton Group" of the Seventh Annual Report of the Department of Labor leads to the conclusion that the average number of children in the families there described in which the mother had reached the end of the child-bearing period, was 4.4. The number of families enumerated was 2,132; they were distributed over seventeen states, North, South, East, and West, and represented fifteen nationalities.

Except possibly during school vacation, no child



## ESTIMATE OF A LIVING WAGE

of either sex should be employed as a wage earner under the age of sixteen years. Below that age they are, as a rule, not sufficiently strong to work day after day under the direction of an employer. Besides, if they are taken out of school earlier they get less than a fair share of education, and of the industrial opportunities depending upon it.<sup>1</sup>

(b) The Wife. The welfare of the whole family, and that of society likewise, renders it imperative that the wife and mother should not engage in any labor except that of the household. When she works for hire she can neither care properly for her own health, rear her children aright, nor make her home what it should be for her husband, her children and herself. In the words of the Second Congress of Christian workingmen at Rheims, "*la femme devenue ouvrière n'est plus une femme.*"<sup>2</sup> Among the associations and individuals that have protested against the employment of wives and mothers, or at least of mothers, may be mentioned: the Union of Catholic Associations and Workingmen of Fribourg, Switzerland (1893); the Social Christians of Germany; the Christian Democrats of Belgium (1894); the Catholic Association of Holland (1897); the Second Congress of Christian Workingmen at Rheims (1894); the Catholic delegates to the Industrial Congress for the Protection of Workingmen at Zurich (1897); the Count de Mun; and Cardinal Manning.<sup>3</sup>

<sup>1</sup> Cf. "Poverty," by Robert Hunter, ch. V.

<sup>2</sup> "The wife become wage worker is no longer a wife." Quoted in Turman's "Le Catholicisme social," p. 55.

<sup>3</sup> *Idem*, pp. 50-58.

## A LIVING WAGE

(c) Food. The laborer should have food sufficient in quantity, quality and variety to maintain himself and the members of his family in a normal condition of health and vitality.

(d) Clothing. He should be able to provide himself and family with clothing adapted in quantity and quality to the reasonable requirements of comfort. In addition to being protected against the inclemency of the climate, they ought to have the means of appearing in becoming attire on "social" occasions, in school, in church, and in public gatherings. It is impossible to state precisely the minimum that is reasonable for this purpose, but speaking generally we may say that the laborer and his family should possess an outfit of "holiday" apparel, distinct from their ordinary or "everyday" garments. This is essential to enable them to appear among their fellows without hurt to that self-respect and natural pride which are indispensable to decent living.

(e) Shelter. Under this head it is sufficient to say that the dwelling occupied by the laborer and his family ought to consist of at least five rooms, and in general conform to the requirements of reasonable comfort. Three rooms (one for the parents, one for the male and one for the female children) are the minimum for sleeping accommodations, and it would seem that at least two rooms are required for all other purposes. As to equipment, the house must, of course, be provided with a reasonable stock of furniture and utensils, and with the amount of heat, light and drainage essential to health and comfort.

## ESTIMATE OF A LIVING WAGE

The *material* requisites of decent living may, therefore, be summed up as a reasonable amount of food, clothing and shelter for himself and his wife as long as they live; and for four or five children until these have reached the age of sixteen years.

2. Besides the needs that are constant, actually existent, there are others that are intermittent, and still others that will be felt only in the future. The laborer's remuneration ought to be sufficiently large to enable him to provide against accidents, sickness and old age. If it does not he will, when temporarily or permanently incapacitated for work, become a burden on the community or on his children. In the latter case the wages received by the children would have to be increased beyond their own requirements. This is not in accord with the normal order of things, which suggests that a man's life toil should bring him sufficient provision for his life needs.

3. Finally, the laborer and his family have certain mental and spiritual needs, the satisfaction of which is essential to right living. The chief among them are: a moderate amount of amusement and recreation; education in the primary branches of instruction for the children; some periodical and other literature; membership in certain organizations, such as benefit societies and Labor Unions; and last, but by no means least, the means of fulfilling in a becoming manner the obligations imposed by charity and religion.

Food, clothing, shelter, insurance, and mental and spiritual culture — all in a reasonable degree — are,



## A LIVING WAGE

therefore, the essential conditions of a decent livelihood. Remuneration inadequate to secure all of these things to the laborer and his family falls below the level of a Living Wage.

How shall we express these requisites in terms of money? The varying cost of living at different times and in different sections of the country is alone sufficient to render a single general answer exceedingly difficult. Nevertheless, an approximation can be made that will appeal to all fair-minded men as conservative and just, and will indicate with considerable definiteness an ideal of practical and practicable justice that, alas! is yet very far from being realized.

In the first edition of this work (published in 1906) several pages were devoted to the minimum cost of decent living for a family in the United States. The conclusion reached was thus stated: "First, anything *less* than \$600 per year is *not* a Living Wage in any of the cities of the United States; second, this sum is *probably* a Living Wage in those cities of the Southern States in which fuel, clothing, food and some other items of expenditure are cheaper than in the North; third, it is *possibly* a Living Wage in the moderately sized cities of the West, North and East; and, fourth, in some of the last-named regions it is certainly *not* a Living Wage."

Since this statement was published, we have had the benefit of a great number of official and unofficial investigations and estimates. Perhaps the most valuable and significant are those made by the United States Bureau of Labor, in 1908, to the



## ESTIMATE OF A LIVING WAGE

effect that a fair standard of living for a family of five persons among mill workers varied from \$600 per year in the South to \$730 in Fall River; by Professor Robert C. Chapin, in 1909, which showed that anything less than \$800 was insufficient for the yearly support of a man and wife and three small children in Manhattan; by the New York State Factory Investigating Commission, in 1915, whose figures were \$876.43 for New York City and \$772.43 for Buffalo; and by Professor William F. Ogburn, Examiner for the National War Labor Board, who submitted to that body in the summer of 1918 a comprehensive series of estimates derived from different sources: First, from a study of the actual expenditures of 600 families of shipyard workers in the neighborhood of New York City; second, by adding to budgets recognized as standard in earlier years a sum to cover the subsequent increased cost of living; third, by adding to the standard cost of food the proportionate amount to cover the cost of the other items in a family budget. The results are thus summarized by Professor Ogburn:<sup>1</sup>

1. Detailed budget from family studies . . . . .	\$1,386
2. Professor Chapin's budget brought to date . . .	1,395
New York factory budget brought to date . .	1,356
Board of Estimate budget brought to date . .	1,317
3. From food allowance (\$615, equal to 44% of total budget) . . . . .	1,396

In order to furnish a more satisfactory notion of the reasonableness of these estimates, the following

<sup>1</sup> From memorandum printed for the use of the National War Labor Board, p. 13.

## A LIVING WAGE

distribution of the minimum budget of \$1,386 among the different items of expenditure is submitted. The budget represents the prices of June, 1918, in the New York City district.

Food . . . . .	\$615
Clothing:	
Man . . . . .	76
Woman . . . . .	55
Child, 11 to 14 years . . . . .	40
"    7 to 10    " . . . . .	33
"    4 to 6    " . . . . .	30
Rent . . . . .	180
Fuel and light . . . . .	62
Insurance . . . . .	40
Organizations . . . . .	12
Religion . . . . .	7
Street-car fare . . . . .	40
Paper, books, etc. . . . .	9
Amusements, drinks, tobacco . . . . .	50
Sickness . . . . .	60
Dentist, oculist, glasses, etc. . . . .	3
Furnishings . . . . .	35
Laundry . . . . .	4
Cleaning supplies . . . . .	15
Miscellaneous . . . . .	20
<hr/>	
Total . . . . .	\$1,386

Between July, 1918, and June, 1919, the average retail price of all commodities increased at least 15 per cent.<sup>1</sup> Therefore, the lowest of the foregoing estimates should be raised to \$1,514 for June, 1919, and the highest to \$1,605. In the light of the fact that the cost of living is about two and one-half times as high as in 1905, it is interesting to note the

<sup>1</sup> *Monthly Labor Review*, October, 1919.

## ESTIMATE OF A LIVING WAGE

close conformity of the estimates given in the first edition of this book with those that we are now considering.

It would seem, then, that the minimum cost of decent living for a man and wife and three children in the United States to-day (October, 1919) varies from \$1,400 to \$1,500. In the light of the fact that the cost of living has more than doubled since 1905, it is interesting to note the close conformity of the estimates given in the first edition of this book with those that we have just considered.

The minimum rates of living wages for women workers fixed during the present year by public commissions and boards vary from \$11 per week in Minnesota and Wisconsin to \$16.50 in the District of Columbia.

The only statistical basis available for an estimate of the proportion of workers in the country who are receiving less than living wages, is the Industrial Survey made between June, 1918, and June, 1919, by the United States Bureau of Labor Statistics at the request of the War Industries Board. In the summary of the results of this survey will be found the classified wage rates of 318,946 males and 85,812 females, distributed over 28 of our largest industries and 43 states.<sup>1</sup> Of the males 48 per cent received less than 50 cents per hour and 23 per cent less than 40 cents. At the former rate, a man working ten hours a day and 300 days a year would earn \$1,500; at the latter rate and in the same time, he

<sup>1</sup> See summary in the *Monthly Labor Review*, September, 1919. Idem, October, 1919.

## A LIVING WAGE

would earn only \$1,200. Inasmuch as the great majority of wage earners are not employed so many hours per year as 3,000, a Living Wage would mean an hourly rate of about 50 cents. If the average rates for the 28 industries covered by the survey are typical of all industries, it is evident that a very large proportion of the adult males of the United States are even to-day receiving less than living wages.

As regards the females represented in the survey, 56 per cent received less than 30 cents per hour, and 36 per cent less than 20 cents. On the basis of a forty-eight hour week, which is fully equal to the average working time of the great majority throughout the year, anything less than 30 cents per hour is scarcely a Living Wage for a woman in any of the large cities. According to this estimate, something like one-half the female workers of the country are receiving less than living wages.

## CHAPTER VI

### THE OBLIGATION OF THE EMPLOYER

Restatement of some fundamental conclusions. The obligation of providing the laborer with a Living Wage falls upon the employer because of his economic position. Neither labor contracts nor the productivity of labor are necessarily correct measures of justice. The employer who cannot pay a Living Wage is not bound to do so, but the laborer's right to a decent livelihood is superior to the employer's right to enjoy goods that are superfluous to his social position. The employer is obliged to pay a Living Wage before he obtains interest on his invested capital. The productivity of capital and the services and sacrifices of the capitalist are morally inferior to the needs of the laborer. A corporation is under obligation to pay a Living Wage at the expense of dividends.

Two of the more important conclusions arrived at in preceding chapters may with advantage be restated. First, the laborer's right to a Living Wage is merely the concrete expression of the general right, which inheres in him as in all other men, to obtain on reasonable terms as much of the common bounty of nature as will enable him to live decently. Those who reject this general right are logically compelled to reject the intrinsic worth and sacredness of personality, to deny the reality of *moral*

## A LIVING WAGE

rights, and to maintain that the only determinants of property titles are the potency of physical force and the ordinances of the civil law. Those who admit the validity of the general right will logically conclude that in the laborer it becomes the right to a Living Wage because, in the present economic and political order, there is no other reasonable way by which it can obtain a concrete existence. Second, the corresponding obligation falls upon "the members of the industrial community in which the laborer lives," since they are the primary beneficiaries of the laborer's exertion and the only persons who can reasonably be expected to remunerate him. The members of other communities than that in which a given laborer lives have not the control over his product that would enable them to pay wages therefrom; besides, they are under obligations toward their own neighbors who are wage earners. Any reasonable determination of the duties that have to do with the resources and opportunities of the earth will hold each community responsible for the realization of the wage-rights of its own members. While the natural rights of one man to the resources and opportunities of the earth must be respected by all other men everywhere, the acts and omissions imposed by this obligation differ very greatly according to circumstances of place and position. Propinquity and economic relationships are the chief factors in the creation of economic obligations.

Just as the obligation to provide particular laborers with a Living Wage holds in general against

## OBLIGATION OF THE EMPLOYER

their own community, rather than other communities; so it binds specifically the employer, rather than other economic classes of his community. All classes, landowners, employers, capitalists, and laborers, are obliged to refrain from unreasonably hindering the gaining of a decent livelihood by their fellow men; but the refusal of landowners and capitalists to pay a Living Wage to laborers who are not in their employ cannot fairly be regarded as an *unreasonable* hindrance. Since they do not own the laborer's product, they are not in control of the source from which, under the wage-system, labor is remunerated. But the economic position of the employer is such that the obligation falls naturally and reasonably upon his shoulders. In the case of industrial labor, he gets possession of and sells the product; in the case of personal services that are utilized solely by him, the obligation is still more clearly his, inasmuch as he is the only beneficiary of the laborer's exertions. To shift the wage-paying obligation, or any portion of it, to other classes would involve an essential change in the present industrial system. The distribution of duties that would be necessitated by vital changes does not concern us; we are dealing with the obligations that arise out of the order now existing. Among all the economic classes of the community, therefore, the employer is primarily charged with the obligation of providing the laborer with a Living Wage because this is a reasonable consequence of his position and function in the economic organism. His refusal to fulfill it can fairly be interpreted as an unreasonable



## A LIVING WAGE

interference with the laborer's right to get a decent living from the resources of the earth.

Another method of describing the employer's obligation turns upon the human dignity of the laborer as an essential element of the wage-contract.

✓ The employer is bound to compensate the human exertion that he buys at its *ethical* value. He should deal with it as the attribute, the output, of a *person*, of a rational creature who is endowed with an indestructible right to live a decent human life. This aspect of the thing that he buys ought to receive explicit recognition in the contract; that is, the contract should be made on such terms that the dignity of the laborer and his right to a decent livelihood will be safeguarded.

✓ According to a third view, the wage-paying function is a social one, delegated by society to the employer. Society, or the community, owes its labor members a Living Wage in return for their social services as workers, but it has transferred the obligation to a special agency. The distributive function of the industrial organism has been specialized. True, society has not, either in its political or industrial capacity, explicitly commanded the employer to pay a Living Wage, but this negligence does not release him from a duty that arises out of the very nature of the function that he has undertaken to perform. He accepts the task of social paymaster, and is morally bound to discharge it in accordance with the dictates of reason and justice.

Finally, the employer's obligation may be stated in terms of social utility. As a social functionary

## OBLIGATION OF THE EMPLOYER

he ought to perform his task in a manner consistent with social safety. Consequently, he is obliged to give his employees a wage that will enable them to live decently, to marry, and to bring up a family in conditions of reasonable comfort and security; for when any considerable section of its members fails to reach this level, the security and the existence even of society is endangered.

The last argument considers the worker's rights and interests as mere means to social well being. The second and third are fundamentally the same as the first, since they assume that the obligation to safeguard the laborer's right to a decent livelihood, and to discharge this one of society's responsibilities toward him, is a necessary corollary of the employer's economic position. The last word of the ethical argument, therefore, is the *reasonableness* of assigning the duty of providing the laborer with a Living Wage to the employer, rather than to any other economic or social agency. If it be objected that this principle is too indefinite, the answer must be, none of the recognized titles of ownership rests on a more definite or more urgent basis. What justification exists for John Brown's claim to the land that he has been the first to occupy? or has bought? or inherited? or to the crop that he has produced therefrom? And why should other men be denounced as unjust when they prevent him from enjoying these claims? In other words, why are these morally legitimate titles of property? No final answer can be given except that they are *reasonable* methods of distributing the common heritage

## A LIVING WAGE

of nature, of determining and concreting the general rights and obligations of men with regard to the common bounty of the earth. Under the wage-system the payment of a Living Wage by the employer is an equally reasonable method of concreting the laborer's general right to a decent livelihood. And the obligation binding the employer to perform this function is just as reasonable and valid as the obligation which constrains men to respect the traditional titles of ownership.

Men who deny that the employer is under this obligation may be comprised in two general classes: first, those who maintain that the terms of the labor contract constitute the sole measure of rights and duties; and, second, those who assert that the laborer's productivity determines his valid claims in the matter of wages. To the former contention we can only answer that every free contract is not necessarily just. An agreement to rob or kill for a price is legitimate neither in morals nor in law. The man who consents to pay blackmail rather than suffer injury to his reputation enters a free contract, yet the other party to the contract is guilty of an act of injustice. When a body of consumers is forced to pay an extortionate price for a monopolized commodity, they are given the benefit of free contracts, which nevertheless all reasonable men pronounce unfair. Those in control of the monopoly are condemned as unjust because they take an undue advantage of the necessities of their fellows. Now the employer who makes use of the dire need of the laborer in order to force him into a wage-

## OBLIGATION OF THE EMPLOYER

contract that is incompatible with reasonable living, commits precisely the same offense; for it cannot be maintained that the laborer is free to reject the terms offered and get his living in some other way. No such alternative exists practically. Individual workmen may change their abode and their employment, but other individuals must take their place. The class remains. While the present industrial system exists every community must contain a body of laborers and a body of employers. And the members of both groups depend upon labor contracts for their livelihood. Hence, these contracts ought to be made in such a way that the natural rights of the participants to a *decent* living will be provided for and safeguarded. This is a moral limitation imposed upon the wage-contract by the very nature of existing industrial institutions.

The contention that the laborer ought to be rewarded according to his productivity may mean three different things. Productivity may be interpreted as the value of the product that comes into being as the result of the activity of any particular laborer; as the productive power of one worker relatively to that of another; or, as the productive importance of labor in comparison with the other factors of production. Let us examine each interpretation separately.

If the value of the laborer's product be taken as the just measure of his remuneration, he ought to, as in fact he usually does, receive an increase of wages when his product sells for a higher price. Yet he works no harder than before, turns out no

## A LIVING WAGE

more product than before. His additional compensation bears no relation whatever to any quality or achievement, physical or moral, of the laborer himself. Now a theory of justice that measures a man's desert, his rights, by conditions for which he is in no wise responsible, and which takes no account of his human dignity, stands refuted as soon as it is stated. It may be a canon of expediency; it is certainly not a canon of justice. If, however, it be maintained that there is no obligation to pay the laborer *more* than the value of his product because there is no possibility of doing so, no objection can be offered; but this is merely a practical conclusion that would follow from any theory of industrial justice that might be adopted. It is consistent with the Living Wage principle, and with the assertion that the laborer ought *not* to be paid the value of his product.

The argument from productivity in the second sense assumes that one man is paid more than another because he produces more, and contends that higher productive achievement is a valid reason for higher remuneration. But in most cases it is utterly impossible to measure the relative productivity of different classes of workers. Does the bookkeeper in the cotton factory produce more than the spinner? Or the locomotive engineer more than the "section-hand"? In the factory as on the railway, both classes of workers are essential to the existence of the product, and their productive efforts have an organic character. One could not function successfully without the other, and there is no portion of

## OBLIGATION OF THE EMPLOYER

the finished product to which both have not in some measure contributed. Each is in his own order a cause of the whole product. Consequently, no part of it can be set apart as the exclusive creation of either. We cannot say that the bookkeeper gets more than the spinner because he produces more, for we do not and cannot know whether the assumption be correct. The difficulty is the same when we consider laborers in different industries. Do the skilled workers in an automobile factory produce more than the common laborers who pave streets? There is no third term by which the two products can as such be compared. A basis of comparison might be found in their relative general utility to society, but this is not, strictly speaking, a test of productivity. Besides, it would dictate that the street laborers ought to receive higher wages than the automobile makers. The relative productivity of different workers can be ascertained only in those cases in which all the conditions of work are precisely alike, when, for example, men use the same kind of tools or machines. We can readily compare the products of two coal-heavers who are equipped with shovels of the same size, or of two operators who use the same kind of sewing machine, or of two bricklayers who work in equally advantageous circumstances. When, however, the working conditions vary, and especially when every portion of the product requires the activity of all the producers whom we wish to compare, we cannot tell to what extent one man is more productive than another. As a matter of fact, different kinds of labor

## A LIVING WAGE

are rewarded differently on account of differences in the conditions of supply and demand. Were bookkeepers as plentiful, relatively, as spinners their remuneration would be as low.

The third interpretation of productivity as a measure of industrial desert holds that labor, and consequently any particular group of laborers, is at present rewarded in conformity with its *importance* relatively to the other productive agents. The contention is evidently true if "productive importance" be taken to mean relative scarcity in the actual circumstances of industry, for this is only another way of saying that labor's share of the product is fixed by the laws of supply and demand. When, as usually happens, this phrase is employed to describe in some vague way the relation of *causality* existing between labor and the product, the theory is as impossible of verification as the less ambiguous assertion that labor is remunerated according to the portion of the product that it creates in conjunction with the other factors. As we cannot determine how much of the joint product is due to each factor, so we cannot measure their relative importance in the work of production. The productive importance of the employer is sometimes assumed to be indicated by the share of the product that he actually receives, but this inference from income to productivity is merely an ordinary instance of the logical fallacy known as "the vicious circle."<sup>1</sup> "What determines the employer's remuneration?" "His productive importance." "How can the latter be ascertained?" "By

<sup>1</sup> Cf. "The Social Problem," by John A. Hobson, p. 160.



## OBLIGATION OF THE EMPLOYER

referring to his remuneration." Those who take the trouble to get behind formulas, and to examine the actual working of industrial forces, realize that the income of any factor depends upon its "indispensableness" and not on any proportion to its productive efficiency.<sup>1</sup> When undertaking ability was less plentiful than it is now, employers in competitive enterprises received larger rewards; therefore, their productive importance was either exceeded by their former profits or is at present inadequately remunerated. Undoubtedly the employer is in most cases a more important productive factor than any single laborer, as is easily shown by comparing the respective consequences of their withdrawal from an enterprise. The productive importance of different employers can likewise be partially measured by referring to the different results that are obtained when they direct production with the same quantities and qualities of land, capital, and labor. But it is not possible to estimate the productive importance of any employer, efficient or inefficient, relatively to the productive importance of the entire labor force under his direction. Mr. Mallock has made an ingenious attempt to show that by far the greater part of the product of modern industry is due to mental ability (or simply Ability, as he writes it), and that labor gets more instead of less than it produces; but he cannot be said to have conspicuously succeeded. He ignores almost entirely the advances in skill made by labor during the last century, and the vast differences of directive ability required and

<sup>1</sup> Cf. Smart, "The Distribution of Income," pp. 237, 238.

## A LIVING WAGE

displayed in different industrial enterprises; "ascribes" a certain portion of the product to labor, and says that labor must be "held to produce so much," when the question, in so far as it has any ethical interest, is one of objective fact, not of practical expediency; and exaggerates the mental endowments of inventors, and does not sufficiently distinguish between their achievements and those of the employing class.<sup>1</sup>

Even if the claim that labor is at present rewarded in proportion to its productivity — in any sense of which the term is susceptible — were irrefutably established, the conclusion that labor is *justly* remunerated would not follow. "We might raise the question, whether a rule that gives to each man his product is, in the highest sense, just."<sup>2</sup> The question must be answered in the negative. While a man has an indisputable right to all the utilities that he creates with the aid of his own materials and without assistance from other men, his claim to be rewarded in proportion to his activity is by no means so clear when there is question of a joint product. In the latter case productivity would seem to be the lowest of all the titles of ownership. It is inferior to effort. Of two men who contribute to the creation of a common product and who have made equal efforts and sacrifices, why should the stronger, or more skillful or more intelligent receive

<sup>1</sup> See his "Labor and the Popular Welfare," *passim*; and "Aristocracy and Evolution," Book III, ch. I. He has been effectively answered by Mr. Hobson in the "Contemporary Review," August, 1898.

<sup>2</sup> Clark, "The Distribution of Wealth," p. 8.

## OBLIGATION OF THE EMPLOYER

a greater recompense than his less efficient fellow? The latter has done his best, the former can say no more. It is not denied that achievement ought to be considered to some extent in apportioning a reward among coöperators, but it is maintained that our native sense of justice always dictates that the distribution should be made in accordance with individual merit, good will, self-sacrifice, conditions that are within the control of the workers, rather than aptitudes and qualities for which they are not personally responsible. This is certainly the standard by which we hope to be judged in the Life Beyond. Measured by the rule of efforts and sacrifices, the laborer, generally speaking, has as large a claim to remuneration as the landowner, the employer, or the capitalist. Again, the title of productivity must give way to that of needs, which is the end to which all other titles are but means. The primary reason why men should own property of any kind is to be found in their wants. By these must all other claims to ownership be determined and conditioned. Since all men are equal as persons, the essential needs of personality are of equal moral validity in all. Hence, the person's right to the minimum of goods necessary to satisfy these fundamental needs is superior to any of the merely secondary claims.

When the employer cannot pay a Living Wage he is for the time being freed from actual obligation, as no one is morally bound to do the impossible. The contention that such a man ought to cease to be an employer will scarcely hold in the face of the hardship that he would thus undergo. A man's

## A LIVING WAGE

fundamental right to get a living on reasonable terms carries with it some kind of claim to remain in the economic position in which he has become established; and this claim will cease to exist only in the presence of grave contrary reasons. On the other hand, the inability of one or many employers to discharge the obligation will not free those who are better situated. The prosperous employer cannot exculpate himself on the ground that he is paying as high wages as his neighbors.<sup>1</sup>

“Cannot pay a Living Wage” is, however, extremely vague. To one it may mean that if he does so he will be unable to increase his personal expenditures, or better his social position; to another, that the profits remaining will not be a fair remuneration for his skill, energy, and directive ability; to a third, that he will have nothing left with which to extend his business or make new investments; to a fourth, that he will not receive a fair rate of interest on his capital. The first three of these interpretations are morally invalid because they imply a subordination of the essential needs of the laborer to the non-essential needs of the employer. All the ends that the employer seeks to realize in these three ways lead ultimately to the satisfaction of wants that are superfluous relatively to his present standard of living. Now employer and employee are equal in personal dignity, and their essential needs are of equal worth and moral importance. Consequently the essential needs of one are morally superior to the accidental needs of the other. The la-

<sup>1</sup> Cf. Vermeersch, “Quaestiones de Justitia,” pp. 579, 580.

## OBLIGATION OF THE EMPLOYER

borer's need of the requisites of a decent and reasonable life is more important in the moral order than the employer's need of life's conveniences and superfluities. If the individual's obligation to use and distribute the resources of the earth consistently with the rights of his neighbors thereto is more than a vague and empty formula, it surely means in the concrete that the employer is bound to distribute the product of industry and his personal income in such a way that his own secondary and unimportant wants shall not be preferred to the primary and vital needs of those who expend all their working time and energy under his direction and for his benefit.

The industrial employer, the employer of men who produce for the market, has obviously a right to get a decent livelihood from his business. And this means not merely goods absolutely necessary for right living, but also conventional necessities. Since the latter vary according to a man's station — the position that he holds socially and economically, and the scale of personal and family expenditure to which he has become accustomed, — a decent living for the employer will, as a rule, include more of the good things of life than in the case of the laborer. In both cases it corresponds with the standard of life peculiar to the class. The absolute necessities of life are approximately the same for employer and employee, namely, a reasonable minimum of food, clothing, shelter, education, and recreation; their conventional necessities differ on account of the different ways of living to which they have become accustomed, and which they have come to

## A LIVING WAGE

regard as essential. Undoubtedly the employer would suffer a slighter hardship if his expenditure for things conventionally necessary were diminished by, say, ten percent, than would the laborer whose outlay for his conventional needs was curtailed in the same degree; yet the general statement remains true, that the loss of conventional necessities entails suffering upon both. Hence the rule above laid down does no injustice to the laborer, since it merely treats laborer and employer unequally in so far as they are unequal, that is, in regard to their habits of living, but treats them equally with reference to inconveniences that affect them equally. It is altogether just that the employer should retain a sufficient amount of the proceeds of his business to maintain himself and family in reasonable conformity with the standard of living that he has come to look upon as proper to his station. Until he has paid all his employees a Living Wage he ought to refrain from all costly expenditure for the purpose of amusement and recreation, and in general from everything that comes under the head of luxurious living. The term luxury is, indeed, very vague and very relative. No general rule can be framed that will distinguish sharply between luxuries and conventional necessities. Again, the different social classes in American life merge into one another by insensible gradations, so that men frequently regard the grade just above them rather than the one in which they actually live, as the standard to which their expenditures ought to conform. And yet, some general observations may be made which are

## OBLIGATION OF THE EMPLOYER

sound and helpful. The employer who cannot at the same time pay a Living Wage to all his employees and live in his customary manner, ought not to go beyond the moderate satisfaction of the physical, intellectual, moral, and spiritual wants of himself and his family. He ought to avoid all lavish feasting, all extravagant forms of amusement, and all ostentation in dress, equipage, and household appointments. His right to satisfy any of these wants yields to the right to satisfy any of these conditions of a decent livelihood.

The claim of the employer to a fair rate of interest on his capital at the cost of a Living Wage for the laborers in his employ, likewise puts his non-essential needs above the essential needs of the latter, and is consequently unsound. The right of capital to obtain interest is sometimes asserted in such a way as to indicate a belief that this is the supreme right in the field of distribution. Capital is personified. There should be no need to insist that capital is not a moral and rational being, and can have no moral claim to a share in the product. It is a condition of production, but not a producer in the same sense as the laborer and employer, nor has it any moral and rational needs to be supplied out of the results of production. Its claim to a portion of the product must be made on behalf of its owner and in terms of his rights.

Now there are only three possible grounds upon which the owner of capital can, as such, defend a right to interest. They are productivity, service, and abstinence. Neither the first nor the second is



## A LIVING WAGE

fully convincing. Why should the stockholder in a manufacturing corporation who contributes no labor to the operation of the concern, get a share of the product in the form of interest? "Because he owns some of the producing capital," is generally regarded as a sufficient answer. Yet it is merely a reassertion of the proposition that is to be proved. It is a bald begging of the question.

The claim of service is likewise lacking in demonstrative value. Although the capitalist serves the community by putting his property at its disposal, his moral claim to a reward for a service that has cost him no labor nor sacrifice, is by no means clear. For centuries the Church refused to admit that the title of service constituted a valid claim to interest on money that was loaned. The man who saves a drowning millionaire performs a service which the latter regards as worth half a million dollars; yet the rescuer who should extort this sum would be placed by everybody on the same moral level as the highwayman.

The foregoing argument is not to be taken as a positive denial of all validity to the claims of productivity and service. It merely points out that their moral value has not yet been satisfactorily demonstrated.

Abstinence or sacrifice in saving does seem to be an entirely valid title to interest. The man who saves money with the hope and on condition that he will obtain interest on his savings, looks upon saving as a sacrifice that can be adequately compensated only by the receipt of interest. So long as

## OBLIGATION OF THE EMPLOYER

his capital is utilized in industry, he has a right to interest as the fair price of his sacrifice. However, it is very doubtful whether more than a small minority of the present owners of capital have ever undergone this kind of sacrifice. The great majority would have saved without any hope of interest, either because they could not possibly have spent it all for current wants, or because they desired to provide a sum for future wants and contingencies. The former made no real sacrifice, while the latter would have regarded their sacrifice as fully offset by the assurance of a competence for later years.

To put the matter in a few words, the man who would not have saved without the hope of interest has a right to interest on the ground of real sacrifice; but the man who would have saved even if no interest were obtainable cannot derive from either the title of productivity or that of service more than a presumptive moral claim to interest. It is, however, a claim that is quite as reasonable as certain other claims to material goods which are never called into question.<sup>1</sup>

Howsoever strong, or weak, may be the moral basis of the capitalist's claim to interest, the claim itself is clearly inferior to the right of labor to a Living Wage. The relative strength of rights is determined by the needs that they serve. Since the capitalist can ordinarily supply his essential needs through his labor, the interest that he receives will

<sup>1</sup> The subjects discussed in the last few paragraphs are much more fully treated in chapters xii and xiii of the author's work, "Distributive Justice." The Macmillan Company; 1916.

## A LIVING WAGE

go to meet his less important needs. But the Living Wage of the laborer is required for the essentials of a livelihood. Therefore, the wage-right is superior to the interest-right. The principle that the capitalist has no right to interest until all his labor force have received Living Wages, has been proclaimed in the social reconstruction programs of the National Catholic War Council and the Federal Council of the Churches of Christ in America, and by liberal-minded capitalists, such as Otto Kahn, the great New York banker.

The obligation that in private business rests upon the employer is distributed in a corporation, or joint-stock company, among all the shareholders. Since the direction of the business resides ultimately in them, they are the real employers, and they cannot reasonably shirk the responsibility of paying just wages. This responsibility falls in a particular manner upon the board of directors and the officers, but it extends in some degree to the owner of even one share of stock. Like the private employer with regard to the money that he has invested in his business, the stockholders of a corporation are morally bound to pay all the employees, including, of course, those who are actively engaged in its direction, a Living Wage before they pay themselves dividends. And it would seem that those shareholders whose labor of direction is confined to annual or semi-annual meetings, and who have no means of living except the dividends accruing to them, have a less urgent right to receive a decent livelihood therefrom than have the employees to obtain a Living Wage.

## OBLIGATION OF THE EMPLOYER

The needs of the latter are no more important than the needs of the non-working stockholders, but they are associated with labor, personal effort, which is a stronger title of ownership than the productivity of capital or just sacrifices of saving.

To sum up: the obligation to pay a Living Wage falls upon the employer as a reasonable consequence of his position in the economic organism. From this responsibility he cannot free himself by appealing to the labor contract or to the productivity of labor; for the former is consistent with extortion, while the latter is usually unknowable, and is always inferior to needs as a canon of distribution. Inability to perform the obligation suspends it, but inability must not be so interpreted as to favor the superfluous needs of the employer at the expense of the essential needs of the laborer. The employer's right to obtain interest on the capital that he has invested in his business is subordinate to the laborer's right to a Living Wage.

NOTE TO SECOND EDITION. — The claim of the employer to State aid whenever he is unable to pay a Living Wage and at the same time obtain interest on his investment, is unsound ethically as well as economically. Competent employers will not need such assistance, and incompetent ones have no valid title to it. On the other hand, the employer who cannot make a living profit and also pay a Living Wage from his business, is not obliged to make up the latter from property with which he has no connection as an employer.

## CHAPTER VII

### THE OBLIGATION OF THE LOAN-CAPITALIST, THE LANDOWNER, THE CONSUMER, AND THE MAN OF WEALTH

The loan-capitalist and the landowner are under no practical obligation to supplement directly the wages of the underpaid laborer. The consumer can discourage the payment of insufficient wages by refusing to patronize the offending manufacturers and merchants. And he is morally bound to do so. The meaning of "superfluous" goods. These ought to be given without reservation for the relief of the underpaid. Methods by which such distribution could be carried out.

The employer may fail to pay a Living Wage either because he cannot or because he will not. Does the obligation, thus unfulfilled, revert to other members of the community? to whom? and in what measure?

Undoubtedly a part of the responsibility of treating the laborer justly is shared by the capitalist who has loaned money to the employer for use in his business, and by the landowner who has rented him land for the same purpose. They are beneficiaries of the laborer's exertion, and consequently are indebted to him in a particular way; they also receive a portion of the product of industry, and are thereby

## OBLIGATION OF THE CAPITALIST

enabled, in many cases, to do something toward supplying what is wanting in the laborer's remuneration. Yet if the employer's failure to pay a Living Wage is not due to inability on his part, it seems sufficiently clear that the loan-capitalist and the landowner have no direct obligation to make good the difference. In so far as their incomes surpass their reasonable needs, they are, of course, bound to make a righteous use of the excess; but their *economic* position scarcely obliges them to do more than exert pressure upon the employer to compel him to discharge fully his wage-paying obligations.

When, however, the employer is really unable to give all his employees the means of a decent livelihood, the right of the loan-capitalist and landowner to receive the product of their property in the form of interest and rent seems to be inferior to the right of the laborer to obtain a Living Wage. The latter has contributed his labor power, the former have contributed the use of their goods to the making of the common product. In the distribution of the product the claims of labor, personal effort, ought to be preferred to those of mere ownership in the product's material cause. Consequently, the employer should be allowed and constrained to provide his employees with a Living Wage before returning rent to the landowner or interest to the loan-capitalist. This seems to be the theoretical justice of the situation. An attempt to put it in practice would probably be followed by greater evils than those that are sought to be remedied. Let us assume that the landowner and the loan-capitalist do their share

## A LIVING WAGE

by instructing the employer to give them their portions of the product only after he has fully remunerated all the laborers. In a large proportion of cases they cannot know whether the residue is really insufficient to yield them the whole amount of rent and interest conditionally stipulated. The employer will in such circumstances be able to retain for himself what he owes to them. Even if he acts with entire honesty in this respect, he may, without being compelled to, continue to sell his product at a price that will render full payments of rent and interest impossible. To be sure, if the loan-capitalist and the landowner could always be certain that the employer did his best to make them a complete return for the use of their property, their obligations, as above outlined, would seem to be actual and concrete. As things are, however, their responsibility toward the underpaid laborer who works with their property must be discharged in some other way.

When the employer's inability to pay a Living Wage is due to the low price at which he is compelled to sell his product rather than to his own incompetence, the chief beneficiary is, of course, the consumer. Yet the average consumer is wholly indifferent to any responsibility toward the underpaid producers of the cheap goods that he so vigilantly and avidly seeks to secure. In this connection the following paragraph from the pen of Mr. W. S. Lilly is extremely suggestive:

"One afternoon I chanced to meet in Regent Street three lady friends who had come up to town



## OBLIGATION OF THE CAPITALIST

for shopping, and I remember their surprise and delight at finding in one of the establishments which they visited shirt blouses of a dainty kind, on sale at half-a-crown each. They purchased a dozen, and evidently regarded this cheapness as simply miraculous. They were so good as to invite me to dine with them that evening at a restaurant of which I will not mention the name, for I have no desire of advertising it. Nor indeed is that necessary. The perfection of its cuisine and the excellence of its wines have deservedly won for it a world-wide reputation. It is as deservedly celebrated for its high charges. I could not help noticing that on the occasion of which I speak my kind hostess received very little change from the five pound note which she tendered in payment for our dinner. The evening was fine: and after taking leave of my friends I set out to walk to South Kensington. When I reached Hyde Park Corner a carriage dashed rapidly out of the Park, and a young girl, who was walking just in front of me, was almost run over. Apparently she had not noticed it: fortunately I had seized her by the arm and pulled her back in time. She seemed a good deal frightened and inclined to be hysterical. A constable came up, and I looked at him interrogatively, wondering whether she was quite sober. He caught my meaning and after a swift glance at her, said: 'No, sir, it's not drink; it's hunger. If she sits down for a bit she will pull herself together.' He helped her to a seat just inside the Park and left her there, after a minute, murmuring something which I did

not quite catch about sending someone to her. The girl said to me: 'Thank you for saving me; I was nearly killed, I think'; and she shuddered. She was a slight, delicate-looking creature, of plaintively prepossessing appearance, neatly dressed, and quiet in manner. I replied: 'Yes, you had a narrow escape; now that you have recovered from your fright, shall I put you into a hansom and send you home?' 'Thank you,' she answered, 'but I mustn't go back yet: I have come out to try to earn a little money; I spent my last shillings in buying those shoes to come out in, and I owe my landlady a fortnight's rent: I haven't been able to get any work lately.' I inquired what she worked at. She told me she made ladies' shirt blouses, but could not live on what she earned in that way; she was paid four shillings for making a dozen: it was the usual rate; she worked for Messrs. —, mentioning the tradesmen whose shop my fair friends had visited that afternoon. It is a dictum of Renan that the miraculous is the unexplained; and this was the explanation of those miracles of cheapness at which my friends had marvelled."<sup>1</sup>

The obligation of the consumer toward the underpaid laborer involves two questions: can he do anything to bring about better wages? and is he morally bound to make use of whatever power he possesses in this direction?

Since all production and trade are carried on with a view to the wants of the consumer, the latter holds

<sup>1</sup> "The Cost of Cheapness," "The Fortnightly Review," April, 1905.

## OBLIGATION OF THE CAPITALIST

the dominant position in industry. Goods will be produced of such quality, in such amounts, and under such conditions of employment as he effectively demands; that is, in accordance with his wishes plus his readiness to pay the necessary costs. If he says to the manufacturer or to the merchant, "unless you pay your employees a Living Wage, I will not buy your goods," his terms will be accepted. Consequently an organization embracing the majority of consumers, and employing agents to ascertain the wages that have been paid for the production of the various commodities on the market and the prices for which the latter must sell in order that the producers may be decently remunerated, could soon put an end to the evil of underpaid labor in industrial employments. While an association of such magnitude is not inherently impossible, it is clearly impracticable, or at least so unlikely as to render serious consideration of it a waste of time. As things are, the consumer who wishes to discourage low wages must act individually or as a member of local and incomplete organizations. When the goods that he wishes to buy can be obtained from manufacturers and dealers that treat their employees fairly, he can patronize these in preference to firms that are unfair. How is he to distinguish between the two classes of employers? Not infrequently the necessary information will come to him casually and through various unrelated channels; more often perhaps it will be available through the systematic work of Labor Unions and the Consumer's League. The former affix their Union Label to those goods that

## A LIVING WAGE

have been produced in accordance with their standard of remuneration, hours, workshop conditions, etc. The Consumer's League also has a Label which it puts upon articles manufactured in the conditions that it regards as satisfactory, and a "White List" of merchants who treat their employees fairly. It may be assumed, therefore, that the producers of goods that bear any of these marks of approval are receiving, if not a Living Wage, at least a nearer approach to it than their fellows in the same employments. Purchasers who call for these goods, and especially those who affiliate themselves to the Consumer's League, will contribute very materially toward the encouragement of fair employers and the discouragement of the unfair.

Is the consumer morally bound to exercise such discrimination in making his purchases? He is not directly responsible for low prices and low wages, for he takes no active part in the making of either.<sup>1</sup> Yet he encourages the continuation of existing bad conditions when he seeks out and patronizes the dealers in cheap goods, regardless of the wages that have been paid to the producers. The fact that he is not primarily responsible does not acquit him of all responsibility and all obligation; for, as Dr. Cunningham observes: "There is always this double responsibility to be looked to, responsibility for not doing our best to cure the evil, and responsibility for its existence."<sup>2</sup> If a Living Wage is to prevail in industry the consumer must provide the means

<sup>1</sup> Cf. Webb, "Industrial Democracy," pp. 671-673, 1st ed.

<sup>2</sup> "The Use and Abuse of Money," p. 157.

## OBLIGATION OF THE CAPITALIST

of paying it. This is a function that he cannot shirk or shift to others. He is obliged to pay a fair price for the goods that he buys, and a fair price necessarily means one that will enable the producers to be decently remunerated. This elementary and fundamental obligation is indisputable: the practical question concerns the form that the obligation assumes when a combination of forces, partly within and partly without the control of the consumer, has brought or threatens to bring wages below the minimum of justice. Suppose the consumer finds himself so placed that the issue depends upon his action: if he buys goods from A all the laborers will get a Living Wage; if he patronizes B — who is selling more cheaply — they must continue to be underpaid, since the returns are not sufficient to give them more. Here there cannot be a shadow of doubt concerning his responsibility to the laborer, and his obligation to make his purchase from A. This hypothetical case is in some measure realized to-day whenever a consumer finds it within his power to choose between merchants who deal in goods that have been produced under humane conditions and merchants whose goods have involved injustice to labor. The difference is one of degree only; for the actual consumer can do *something* toward the abolition of insufficient wages. What he can reasonably do in this direction he is morally bound to do, and the same is true of the merchant in relation to different manufacturers. The effects of any single individual may seem insignificant, but the combined actions of all who are in a position to exercise the discrimination

## A LIVING WAGE

here advocated would lead to very large results. Besides, the reform of existing conditions will not be accomplished by any single agency or method; the coöperation of many and diverse forces, persons, and classes will be essential. Among all the classes that might contribute to this end, the consumer is perhaps the least conscious of his power and responsibility. In the simpler economic relations of the Middle Ages, when the consumer usually dealt directly with the maker of the goods that he bought, the obligation to pay a price that would cover fair wages was easily perceived and acknowledged. To-day he is so far removed from the original producer, the causes of low wages are so various, and the whole mechanism of industry is so anarchic, that he seldom gives a thought to the relation between himself and the man who ultimately makes cheap goods possible. Yet to divide and obscure responsibility is not to destroy it; consequently the consumer is morally answerable for insufficient wages in proportion to his power to make reasonable efforts toward bettering them.

Thus far of the obligation of those persons who are directly benefited by the toil of the underpaid laborer, and who stand in more or less immediate *economic* relations to him. Let us consider briefly that class of persons who are bound to the insufficiently remunerated workers, as to other sections of the unfortunate, by the general duty of *charity* or beneficence. These are the possessors of superfluous goods, the rich. From St. Paul<sup>1</sup> to St.

<sup>1</sup> "Let your abundance supply their want," II Cor. VIII, 14.

## OBLIGATION OF THE CAPITALIST

Basil<sup>1</sup>; from St. Basil to St. Thomas of Aquin<sup>2</sup> and from St. Thomas to Pope Leo XIII,<sup>3</sup> the Christian teaching has been that superfluous goods are a trust to be administered for the benefit of the needy. The classification of private possessions, or private income, made by St. Thomas indicates the meaning that all Catholic authorities attach to the phrase, "superfluous goods." A man's goods, he says, may be divided into three categories: first, those that are absolutely necessary to sustain life: second, those that are required for the proper maintenance of social position: third, those that are left over after both of these ends have been met.<sup>4</sup> It is not easy, however, to mark off the last named possessions—those that are "superfluous"—from those of the second category. The majority of men can readily persuade themselves that their whole income is needed either to support their present style of living, to provide liberally for the future wants of themselves and their families, or to better their present condition. "Bettering their condition," means for some men the indefinite accumulation of wealth merely for the sake of the consequent power and prestige, and for some women the progressive abil-

<sup>1</sup> "Are you not a despoiler, since you have made your own that which you have received to distribute?" Migne, "Patrologia Graecca," vol. xxxi, col. 275.

<sup>2</sup> "To give alms from one's superfluous goods is strictly commanded," "Summa Theologica," 2a. 2ae., q. 32, art. 1.

<sup>3</sup> "When one's necessities have been fairly supplied, and one's position fairly considered, one is bound to give to the indigent out of that which remains," Encyclical, "On the Condition of Labor."

<sup>4</sup> "Summa Theologica," 2a. 2ae., q. 32, art. 6.



## A LIVING WAGE

ity to outshine their neighbors in extravagant entertainment, dress, equipage, etc. It is admitted on all sides that luxury is reprehensible, but the principle of the relativity of luxury has been converted into the doctrine that luxury is merely expenditure in excess of income. According to this interpretation, all incomes, except possibly a few of the very largest, can be legitimately utilized in maintaining or expanding the social position of their recipients. Utterly insignificant, therefore, is the number of persons who possess superfluous goods, and are held to the duty of almsgiving or philanthropy. This apotheosis of groveling selfishness is not, however, peculiar to our own time. In the last quarter of the seventeenth century, Pope Innocent XI condemned the following propositions: "It is scarcely possible to find among people engaged in worldly pursuits, even among kings, goods that are superfluous to social position. Therefore hardly anyone is bound to give alms from this source." If these doctrines were false then they are a hundred times false to-day. In a general way it may be said that all of that portion of a man's income is superfluous that cannot be used for the satisfaction of his *reasonable* wants. As unreasonable must be regarded all wants whose satisfaction involves injury to health, mind, or character. Consequently, excessive quantities of food or drink; dyspepsia-breeding delicacies; clothing, dwellings and household furnishings that satisfy the desire to outdo one's neighbors in costliness and showiness, instead of increasing comfort or developing the esthetic sense; indefinite amounts

## OBLIGATION OF THE CAPITALIST

of idleness, amusements, entertainments, and travel, — are all unreasonable and unjustifiable. They all spell deterioration and debasement, the pampering of what is lowest in man at the expense of what is highest. Good clothes and good houses are legitimate and useful inasmuch as they promote comfort, self-respect, and the appreciation of the beautiful; but they are clearly harmful to character when they respond to the vulgar desire to excel in what one has rather than in what one is or what one does. Recreation, amusement, social diversion, entertainment, and travel are all helpful within certain narrow limits; when they take up more than a small portion of a person's time and attention they become not merely useless but demoralizing. Indeed, the amount of money that can be expended for the conveniences of life, the ornamental and hedonistic side of life, consistently with a due regard for health, mind, and character, is very much smaller than the majority of men, rich and poor, habitually assume. And everything beyond this belongs in the category of superfluous goods.

Is a man obliged to devote *the whole* of his superfluous goods or income to works of benevolence? Mr. Andrew Carnegie answers in the affirmative. "This, then, is held to be the duty of the man of wealth: to set an example of modest, unostentatious living, shunning display or extravagance; to provide moderately for the legitimate wants of those dependent upon him; and, after doing so, to consider all surplus revenues which come to him simply as trust funds, which he is called to administer, and strictly

## A LIVING WAGE

bound as a matter of duty to administer in the manner which, in his judgment, is best calculated to produce the most beneficial results for the community — the man of wealth thus becoming the mere trustee and agent for his poorer brethren, bringing to their service his superior wisdom, experience, and ability to administer, doing for them better than they would or could do for themselves.”<sup>1</sup> The Reverend L. Garriguet is substantially of the same opinion: “A man is obliged to give to the poor all his superfluous goods. . . . To keep back a portion of them, even an inconsiderable portion, is to go against the order of Providence and to retain for self what ought to benefit the neighbor.”<sup>2</sup> The position of these writers seems to be in harmony both with the law of the Gospel and the dictates of reason. Catholic moralists of authority generally deal with the matter somewhat more precisely. They divide human distress into three classes: extreme, grave, and ordinary. A person is said to be in extreme need when he is so placed that he cannot, morally speaking, escape death, or some almost equivalent evil, such as loss of health or of limb, unless he is assisted by others; in grave necessity, when perils of this magnitude are not actually imminent but merely probable, or when things that are necessary cannot be procured without great difficulty; in ordinary need, when extreme or grave evils can be avoided by reasonable personal effort, or when minor inconveniences must be suffered continuously if

<sup>1</sup> “The Gospel of Wealth,” p. 15.

<sup>2</sup> “La propriété privée,” tome II, pp. 40, 42.

## OBLIGATION OF THE CAPITALIST

assistance come not from without.<sup>1</sup> The authorities that we are considering are not agreed as to the proportion of superfluous goods that ought to be given for the relief of *ordinary* need; many of them say that "something" must be given; others, that each possessor should give as much as would be sufficient to remove all such need if all other possessors gave proportionately; others, that two per cent of a person's income should be so expended; and still others, that two per cent of one's superfluous goods would satisfy the obligation. They seem to be virtually unanimous, however, in maintaining that persons having superfluous goods are morally bound to give away as much of these as is required to relieve all *extreme* and *grave* need.<sup>2</sup> Practically, this would seem to mean that a man is bound to devote his surplus income unreservedly to the alleviation of such cases of extreme or grave need as come under his notice. Now it can scarcely be doubted that a large section, perhaps a majority of the laborers who get less than a Living Wage are in *grave* need as this phrase is understood by the moral theologians; for to be without the minimum requisites of decent and humane living is certainly as great an evil as the inability to live according to one's social position, which the theologians use to illustrate their meaning. "*Necessitas gravis*" is not too strong to describe the distress endured by persons whose habitual condition is to

<sup>1</sup> Cf. Lehmkuhl, "Theologia Moralis," vol. ii, No. 601.

<sup>2</sup> Cf. Bouquillon, "De Virtutibus Theologicis," pp. 343, 344.

## A LIVING WAGE

be insufficiently fed, clothed, housed, and provided against sickness and old age. Consequently the doctrine of the moral theologians seems to be in substantial accord with the views of Mr. Carnegie and Father Garriguet.

Obviously the obligation of distributing superfluous goods among the underpaid workers would not, except in extreme cases, be wisely discharged by direct gifts of money. These would tend not only to pauperize the recipients but to deter the employer and the consumer from making any effort to improve existing wage conditions. Inefficient remuneration can be effectively supplemented by philanthropy only through methods that reach this end indirectly. A few such methods may be mentioned here. The underpaid could be financially assisted to organize and maintain Labor Unions. "The great problem of poverty," says John A. Hobson, "resides in the conditions of the low-skilled workman. To live industrially under the new order he must organize. He cannot organize because he is so poor; so ignorant; so weak. Because he is not organized he continues to be poor, ignorant, and weak. Here is a great dilemma, of which whoever shall have found the key will have done much to solve the problem of poverty."<sup>1</sup> Two of these obstacles to organization, namely, poverty and weakness, would be very considerably reduced if means were available for the support of organizers, the renting of halls for meetings, the maintenance of a reserve fund, and for various other expenditures

<sup>1</sup> "Problems of Poverty," p. 227.

## OBLIGATION OF THE CAPITALIST

that are essential to efficient organization. Then, there is the matter of industrial education, provision for which is so meagre in America, and so inferior to that of some European countries.<sup>1</sup> Greater opportunities of industrial training would enable many young persons to rise who under present conditions must enter the overcrowded ranks of the unskilled, and thus diminish both the number of and the competition among the underpaid. In the third place, attention may be called to the unlimited amount of good that could be accomplished through the building and maintenance of hospitals for the treatment of insufficiently remunerated laborers and their families. Sickness always means distress, and it comes at some time or other to all; but among the poor it is exceptionally frequent and exceptionally burdensome and disastrous. "Unnecessary disease and death are mainly active in bringing misery to the working classes and especially to those in poverty. The well-to-do classes are relatively free from preventable, disease-producing conditions of work and of living." "To the poor sickness means more than illness. It means misery of the severest kind." "Sickness assumes a new and more terrible meaning when one realizes that the mass of wage-earning families are pathetically dependent upon some one person's health." "It is a fertile and lively cause of poverty, constantly active and supremely powerful." "Among 10,000,000 well-to-do persons the

<sup>1</sup> Cf. "Labor Problems," by Adams and Sumner, ch. XI; The Seventeenth Annual Report of the Commissioner of Labor and vol. xxiii of U. S. Consular Reports, "Industrial Education and Industrial Conditions in Germany."

## A LIVING WAGE

number of yearly deaths is probably not more than 100,000; among the highest class of wage earners the number is probably not less than 150,000; and among the poorest, or those in poverty, the number is probably not less than 350,000.”<sup>1</sup> Adequate hospital accommodations and provision for efficient nursing in the home, would mitigate and lessen these evils indefinitely. Finally, there is a method that would perhaps be more direct and more immediately fruitful than any of those already mentioned. “The overcrowding of the population on the acre in certain sections of Chicago exceeds that of the densest portions of London. In New York the conditions are three times as bad as they are in London.” “There are about 360,000 dark rooms in Greater New York.”<sup>2</sup> An investigation made a few years ago in Boston showed that twelve per cent. of the total number of persons in rented tenements, or 37,613 persons, lived in habitations “having poor or bad outside sanitary conditions.”<sup>3</sup> From the tables of the Sixth and Seventh Annual Reports of the Commissioner of Labor it is seen that out of 2,954 families in the cotton and woolen industries 538 lived in houses the average size of which was less than four rooms, and that only 592 out of 1,782 families in the iron and steel industries occupied dwellings averaging four rooms or more each. Considered from the viewpoint of comfort, health, or morality, the housing of working people consti-

<sup>1</sup> From chapter IV of Robert Hunter's "Poverty."

<sup>2</sup> "Poverty," pp. 342-344.

<sup>3</sup> Eighth Special Report of the Commissioner of Labor, p. 421.



## OBLIGATION OF THE CAPITALIST

tutes one of the most acute and difficult of our modern social problems. It provides a most fruitful field for philanthropic and charitable effort. Money expended to enable the underpaid laborers to become the possessors and owners of decent, comfortable, and sanitary homes would contribute more effectively to their permanent economic and moral betterment than any other work of benevolence that could be undertaken. The worker would not be utterly helpless; he would have at least a place of shelter and a foothold in the struggle for existence. The resulting gain in health, energy, courage, and ambition would aid him very materially in resisting the forces that threaten to press him down, and in his attempts to rise above his present level. This is a consideration of the gravest importance; for in the words of Professor Walker: "Nothing, economically speaking, can save industrial society from progressive degradation except the spirit and the power in the working classes to resist being crowded down."<sup>1</sup>

In these methods the loan capitalist and the landowner who profit directly by the existence of insufficient wages will find ample opportunity to discharge the obligations that arise out of this condition. And their obligations would seem to be graver than the obligation resting upon the man of wealth who stands in no such relation to the underpaid laborer. The duty of the latter is solely one of charity, while the duty of the loan-capitalist and the landowner seems, as already explained, to partake of the nature of justice.

<sup>1</sup> "Elements of Political Economy," p. 266.

## A LIVING WAGE

NOTE TO SECOND EDITION. — To say that the employer is obliged to forego interest on his investment until he has paid a Living Wage, while the loan-capitalist is free from such obligation, is, indeed, to put the former at a disadvantage; but the balance is restored in the statement that the loan-capitalist is obliged to help the needy laborers in some other way.

## CHAPTER VIII

### THE OBLIGATION OF THE LABORER

The limitation of their number by the underpaid. It would increase the demand for their kind of labor, but in the concrete it means immoral practices and anti-social consequences. And it misplaces the responsibility for low wages. To increase productive efficiency, and therefore wages, is impracticable, except for a few individuals. Saving and total abstinence could raise but a small section of the underpaid to the level of a Living Wage. Organization, while most effective among the better-paid, can accomplish much even for the poorest-paid.

Having considered the obligations of all the other economic classes relatively to the right to a Living Wage and to the existence of insufficient wages, let us glance briefly at the responsibility and obligation of the laborer himself. What can the underpaid worker do to raise himself to the plane of a decent livelihood?

A remedy for low wages that has for a long time been recommended to the laborer, especially by economists, is the practice of what is somewhat euphemistically termed "sexual self-restraint."<sup>1</sup> Formerly it was preached to all sections of the laboring

<sup>1</sup> Cf. Malthus, "Essay on Population," Bk. IV, chs. I-IV; Roscher, "Political Economy," sec. 163; Mill, "Principles of Political Economy," Bk. II, ch. XII; Hadley, "Economics," secs. 355-357.

## A LIVING WAGE

population, but it seems to be no longer thought necessary to the welfare of the better-paid classes. All the evidence at hand seems to show that these reproduce much less rapidly than the poorest classes.<sup>1</sup> Throughout Northwestern Europe there has occurred during the last thirty years a steady decline in the birth-rate, but only among those workers who are above the level of bare subsistence. If every-day observation may be relied upon, the same conditions obtain in America. It is the more prosperous laborers that are consciously restricting their numbers, by marrying later and by reducing the size of their families. While denying that the larger comforts enjoyed by the better-paid are the *cause* of the lower birth-rate prevailing among them, President Hadley admits that high comfort and low birth-rate commonly go together.<sup>2</sup> It would seem that the economically degraded propagate rapidly through utter lack of ambition and a feeling of hopelessness.<sup>3</sup> The result is that their kind of labor, unskilled labor, continues to be excessively plentiful relatively to the demand for it. Hence the vital importance of lessening its supply through a diminished birth-rate.

Considered apart from its moral and social consequences, this remedy would undoubtedly be highly efficacious. Other conditions remaining the same, the wages of a group fall, or tend to fall, at every addition to its membership, and rise, or tend to rise,

<sup>1</sup> See the very significant statistics cited in "Industrial Democracy," pp. 632-642, 1st ed.

<sup>2</sup> "Economics," sec. 57.

<sup>3</sup> Walker, "Elements of Political Economy," p. 267.

## OBLIGATION OF THE LABORER

whenever increasing supply fails to keep pace with increasing demand. If the laborers in the lowest-paid groups should confine the number of their offspring within sufficiently narrow limits, the generation succeeding to their tasks would certainly be able to command living wages. It is a simple question of the quantitative relation between demand and supply. Walker was so thoroughly convinced of the necessity and utility of the measure that he recommended the strengthening and development of any economic desire that would crowd out the desire to propagate. "Almost anything is better than that the desire to propagate should not be, by some cause, restrained."<sup>1</sup>

As to the morality of this recommendation, it must be noted in the first place that the laborer is not, as is so frequently assumed, bound by any obligation of justice to follow it. The man who marries and brings into the world children whom he cannot maintain in the minimum conditions of decency, will sometimes sin against prudence, but he violates no rights, either of his wife, his offspring, or his fellow laborers of the group to which he belongs. His wife freely consents to the union; his unborn children have no rights sufficiently potent to annul his right of fatherhood; and the right of his fellow workingmen to the larger advantages that they would obtain if fewer children were born to the group, is inferior to his right to become the head of a family. Indeed, it is doubtful whether even charity toward his children or his fellows obliges the

<sup>1</sup> "Elements of Political Economy," p. 296.

## A LIVING WAGE

laborer to forego the advantages and consolations of family life in order that the hand of social injustice may fall less heavily upon them. It would seem that charity does not bind at the cost of such great personal inconvenience.

Generally speaking, the underpaid laborer is not only *not* obliged to abstain from or indefinitely postpone marriage, or to limit the number of his offspring, but is under obligation to do the very opposite. Theoretically and hypothetically, these methods of preventing an over-supply of low-paid laborers are excellent; human nature being what it is, they mean in actual life immoral practices and anti-social consequences. The great majority of men find it extremely difficult to forego marriage or deliberately to postpone it for a long time, and remain chaste. No man who is acquainted with the lessons of history and observant of the ordinary and obvious facts of the life about him will question this statement. The practice of limiting the number of children is immoral because in the overwhelming majority of cases it is accomplished by means of unhealthful and unnatural actions. Reputable physicians are unanimous in pronouncing these disgusting devices a serious menace to health, while the moralist condemns them as frequently criminal, *i.e.*, the murder of the unborn offspring, and always perverse and degrading. They are perverse, inasmuch as they defeat the primary end of marriage, conflict with the standard of action decreed by nature, and permit the beast in man to triumph over his higher self; and they are degrading, inasmuch as they bru-

## OBLIGATION OF THE LABORER

talize the most sacred of marital relations, converting husband and wife from co-workers with the Creator into instruments of mutual gratification.

These precautionary measures are hurtful to society because they promote egotism and enervating self-indulgence among all classes, the unmarried, the parents, and the children and because they portend a stagnant or even a declining population. The average man who refuses to marry, or who indefinitely postpones marriage from a disinclination to assume its burdens or a love of personal "independence," deprives himself of one of the most effective means of developing the finer side of character. He becomes self-centered and unsympathetic, and, generally speaking, is a poorer type of citizen than the man who becomes the head of a family before he reaches middle age. Only in the family is it possible for the majority of men to develop those social feelings that are essential to the welfare of a democratic society. And the deliberate restriction of the number of offspring fosters in the parents a love of material goods and a self-indulgence which are fatal to moral and intellectual improvement, while it results in children who are over-indulged and under-disciplined, and who as men and women will be even more devoted than their parents to selfish and materialistic ideals. As President Roosevelt declared in his famous letter on "race suicide," and later on in his address to a meeting of mothers: "If the men of the nation are not anxious to work in many different ways, with all their might and strength, and ready and able to fight at need, and



## A LIVING WAGE

anxious to be fathers of families, and if the women do not recognize that the greatest thing for any woman is to be a good wife and mother, why, that nation has cause to be alarmed about its future." "The way to give a child a fair chance in life is not to bring it up in luxury, but to see that it has the kind of training that will give it strength of character." The practice of the small-family cult tends inevitably to a society whose members will be incapable of that degree of self-sacrifice without which mental and moral progress are impossible; nay, more, to a society that will be mentally, morally, and physically decadent. The disastrous effects of the practices that we are considering on the movement of population are already manifest. A noted economist had advocated the importation of French Canadians to replenish the national stock of France. According to Sidney and Beatrice Webb, "the danger to be apprehended in Northwestern Europe is not over-population at all, but a deliberate restriction of population by the prosperous, more intelligent, and more thrifty sections."<sup>1</sup> The low birth-rate among families of native American parentage, to which writers have frequently called attention of late, is nothing less than startling. "The rate of child-birth has been decreasing . . . with astonishing rapidity . . . among the native American-born of our population, until it has reached a minimum; the number of children to the native American family of all classes (and in this lies the danger) being less than it is in any other

<sup>1</sup> "Industrial Democracy," p. 641, 2d ed.

## OBLIGATION OF THE LABORER

country, France even not excepted, which has long been known to be at the point of stagnation. . . . Less than two surviving offspring to reproduce the race for all native-American marriages.”<sup>1</sup> Nor is this the whole story. Notwithstanding the assertions of apologists for the foreign-born couples, honest and intelligent observation shows that a considerable and rapidly growing section of these are zealous imitators of the example set by the native-born. Let the reprehensible practice be, as some of the economists urge, generally adopted by the underpaid workers, native and foreign-born, and we shall soon be compelled to contemplate a stationary if not a declining population.

Even from the purely economic point of view, the remedy under discussion is of questionable value. “Slow growth of population and quick growth of capital,” says Professor Clark, “offer the conditions of rapidly increasing welfare for the working classes.”<sup>2</sup> This statement ignores the fact that the desire to become the head of a family and the necessity of providing for wife and offspring, are two very strong incentives to the expenditure of productive energy and the accumulation of capital. On the other hand, the selfishness fostered by aversion to marriage and parenthood tends naturally toward indolence and inertia.

The preaching of the doctrine of “sexual self-restraint” hinders a proper appreciation by the

<sup>1</sup>Dr. George J. Engelmann in “Popular Science Monthly,” June, 1903.

<sup>2</sup>“Publications of the American Academy of Political and Social Science,” No. 3, p. 22.

## A LIVING WAGE

public of the true character and causes of the evil of insufficient wages, and obscures the responsibility of society and the necessity of social action.<sup>1</sup> It likewise soothes the consciences of those individuals who are at fault, and shifts the blame to the shoulders of the innocent. Professor Ingram tells us that the teaching of Malthus found favor in certain quarters because it "tended to relieve the rich and powerful from responsibility for the condition of the working classes, by showing that the latter had chiefly themselves to blame, and not either the negligence of superiors or the institutions of the country."<sup>2</sup> A similar statement would hold true of some of the advocates of the milder form of Malthusianism that is preached to-day.

It is sometimes asserted that the underpaid laborer could secure an increase of remuneration by increasing his productive efficiency. Let him perform more effectively his present task, and also endeavor to fit himself for something higher. The adoption of the former practice would mean an addition to the profits of the business, and the possibility of additional compensation for the workers. The employer might, indeed, insist on retaining all the extra gain, but he could not resist the temptation to increase the total additional profit by enlarging the number of his employees. Thus a rise in wages would be inevitable, owing to the rise in the demand for labor. As the theory is frequently put, the laborer would get more because he produced more.

<sup>1</sup> Cf. Maurice Block, "Les progrès," p. 578.

<sup>2</sup> "History of Political Economy," p. 121.

## OBLIGATION OF THE LABORER

The first objection to this proposal is drawn from the fact that a large proportion of the low-paid workers are physically unable to put forth greater productive energy; in their case increased efficiency must be related to better wages as effect rather than as cause. Secondly, the attempt would be almost wholly ineffective unless it were made by all, or at least, by a majority of the laborers concerned; otherwise the increased competition for labor among employers would not be sufficient to cause a general rise in remuneration. The gains resulting from individual and isolated efforts to increase productive efficiency would be nearly all secured by individual employers. Now to assume that the great majority of the underpaid workers could be induced simultaneously to enlarge their productive output, is to look for a unanimity of action that no practical man would venture to hope for in the case of any other social group. The first condition of the success of any such attempt would be a strong and numerically complete organization; but if this class of laborers were thoroughly organized they could probably obtain a Living Wage without increasing their productive efficiency. Even if the desired unanimity of action were secured the results would perhaps be disappointing. The enlarged product might be more than sufficient to provide all the producers with a Living Wage if it sold at the old prices, but experience shows that this condition would not be realized. The lower selling price of the product might justify only a very slight increase in wages. All would depend on the ratio that would exist be-

## A LIVING WAGE

tween the reduction in price and the increase in output. Thus, a mere statement of the limitations of this proposal is sufficient to expose its weakness as a general remedy.

The recommendation that underpaid laborers should fit themselves for some higher kind of work has some value in the case of individuals. Undoubtedly there are many men in the ranks of the unskilled who could accomplish something in this direction if only they were a little more energetic, a little more ambitious, a little more hopeful. The obstacles to be overcome, however, bulk so large in the eyes of the worker that the plan is practicable for only a few.

The practice of thrift and saving is another suggestion that is frequently urged. Speaking generally, this advice is good for all classes of men, but only within certain limits. There is such a thing as overthriftiness and excessive saving, which are harmful alike to the individuals practising them and to the activity of production and industry. Waiving this consideration, we can readily admit the great advantage to be derived from the possession of a personal reserve fund. It helps the workingman to change his employment or his location whenever he becomes aware of better opportunities elsewhere, enables him to remain idle rather than immediately accept the terms offered by the employer, and increases his bargaining power generally. For the majority of the underpaid, however, saving to a degree that would be effective supposes an unusual measure of self-sacrifice, and cannot be regarded as

## OBLIGATION OF THE LABORER

a practicable method of betterment. It will be efficacious chiefly in the case of *individuals* among the unmarried.

A particular form of saving that is sometimes recommended with the utmost earnestness is abstinence from intoxicating drink. It is undeniable that the number of laborers, both well-paid and underpaid, who are reduced to a condition of economic wretchedness by this species of indulgence, is deplorably large. And yet, even universal total abstinence would go but a little way toward improving the standard of living of the underpaid workers. It would be very effective in those individuals whose expenditure for intoxicating drink is considerably above the average, but for the whole class it would realize only a small fraction of the claims made by its more enthusiastic advocates. The average amounts expended annually for intoxicating liquors by families in certain industries are submitted in proof of this statement: <sup>1</sup>

Industry	Income per family	Expenditure per family for drink
Pig iron . . . . .	\$591.61	\$17.61
Bar iron . . . . .	784.11	25.10
Steel . . . . .	663.56	26.55
Bituminous coal . . . . .	550.30	18.09
Coke . . . . .	572.57	20.25
Iron ore . . . . .	401.65	8.58
Cotton . . . . .	657.76	15.98
Woolen . . . . .	663.13	18.39
Glass . . . . .	859.64	54.84

From this table it appears that the group of families whose income was lowest, \$401.65, had by far

<sup>1</sup> Seventh Annual Report of the Commissioner of Labor, pp. 854-857.

## A LIVING WAGE

the smallest average expenditure for intoxicants, \$8.58; that the outlay of the four groups of families whose annual income fell short of \$600 averaged only \$616.13 for this purpose; and that, with the exception of those in the glass industry, none of the families in receipt of a higher income were very extravagant in the matter. Now if the four groups of families just mentioned are typical of the underpaid workers generally, it is certain that the practice of total abstinence would not elevate them as a class to the conditions of a decent livelihood, nor bring the lowest sections of them out of poverty into meager comfort. An addition of \$16.13 to the annual income of the families of all the underpaid would still leave thousands of them below the level of reasonable living.

Finally, there is the method of betterment furnished by organization. A formal defence of the necessity and utility of the Labor Union is happily no longer necessary. The features of our industrial system that render organized action indispensable to the welfare of the laborer, and the large, numerous, and varied gains that organization has brought him, are so obvious that only the densely ignorant or the hopelessly prejudiced can escape their cogency. Economists no longer warn workingmen that all combinations entered into for the purpose of raising wages must necessarily and inevitably prove futile. "Thus, economic authority to-day, looking back on the confident assertions against Trade Unionism made by M'Culloch and Mill, Nassau Senior and Harriet Martineau, Fawcett and Cairnes, has



## OBLIGATION OF THE LABORER

humbly to admit, in the words of the present occupant of the chair once filled by Nassau Senior himself, that 'in the matter of Unionism, as well as in that of the predeterminate wage-fund, the untutored mind of the workman has gone more straight to the point than economic intelligence misled by a bad method.'"<sup>1</sup> Professor T. S. Adams maintains, indeed, that: "The majority of economists have never been 'against the Union,' and to-day professional economists are practically unanimous in maintaining the usefulness and even the necessity of rationally conducted Unions."<sup>2</sup> And the economic justification of organization is well stated by Professor Adams: "There is then an indeterminate share in the product of industry which goes to the factor possessing the greatest bargain-power. Successful bargaining depends largely upon two attributes, commercial instinct in estimating the highest bid that your antagonist can make, and the material power of holding out until he is forced to make that bid. It needs no discussion to show that the isolated laborer is woefully lacking in both these attributes. He does not know what the employer can afford to bid, and his material wants are so pressing that he cannot afford to hold out until the employer's most liberal terms are forthcoming. 'In the long run,' said Adam Smith, 'the workman may be as necessary to his master as his master is to him, but the necessity is not so immediate.'"<sup>3</sup> That organization

<sup>1</sup> "Industrial Democracy," p. 653, 1st ed.

<sup>2</sup> "Labor Problems," p. 241.

<sup>3</sup> "Labor Problems," p. 242.

## A LIVING WAGE

has fulfilled in practice the expectations of theory is sufficiently indicated in the following excerpt from the Final Report of the Industrial Commission: "An overwhelming preponderance of testimony before the Industrial Commission indicates that the organization of labor has resulted in a marked improvement in the economic condition of the workers."<sup>1</sup>

The effectiveness of organization is naturally greatest where it is least needed, in the higher groups. Here the workers are more intelligent, more self-confident, more ambitious, more closely associated in their work, better equipped financially to maintain an effective organization, and less exposed to competition from without. Among the poorest sections of the underpaid the obstacles in the way of organization are enormous. These workers are very frequently deficient in the intelligence, self-restraint, and mutual trustfulness that are essential to the initiation and maintenance of concerted action. Long hours at work and insufficient nutrition deprive them of that leisure and energy that are indispensable to the effective prosecution of the routine work of an association. Scanty wages render exceedingly difficult the accumulation of a reserve fund. The permanency of any organization that they may form is threatened by the insecure character of their employment; for their places can usually be readily filled from the ranks of the unemployed. The last condition is, in the opinion of Sidney and Beatrice Webb, of itself sufficient to render organization valueless for the unskilled.

<sup>1</sup> P. 802.

## OBLIGATION OF THE LABORER

“There is, in fact, for unspecialized manual labor a practically unlimited ‘reserve army’ made up of the temporarily unemployed members of every other class. As these form a perpetually shifting body, and the occupation of ‘general laboring’ needs no apprenticeship, no combination, however co-extensive it might be with the laborers actually employed at any one time, could deprive the employer of the alternative of employing an entirely new gang.”<sup>1</sup> They refer particularly to England where the percentage of unemployment is much greater than in the United States. However, even John Mitchell declares: “It must be admitted that this problem of the unskilled and untrained is intensely difficult, and that it is only partially solvable by direct Trade Union effort.”<sup>2</sup>

Still there is good reason to believe that the attempts of even the poorest and weakest of the unskilled to maintain organizations are well worth while and will be amply justified by the results. However great may be the number of unemployed who stand ready to take the places of those at work, “there will always be a certain difficulty and loss in replacing a united body of employees by a body of outsiders, though the working capacity of each new comer may be equal to that of each member of the former gang.”<sup>3</sup> Compared with the Unions existing on the skilled trades, such associations as the low-grade and low-paid workers can support are neces-

<sup>1</sup> “Industrial Democracy,” p. 758, 1st ed.

<sup>2</sup> “Organized Labor,” p. 168.

<sup>3</sup> Hobson, “Problems of Poverty,” p. 114.

## A LIVING WAGE

sarily feeble, but they add *something* to the resisting power of the individuals who enter them. This increase in fighting strength may not always be productive of positive gain, but it is usually effective in arresting the forces that otherwise would reduce the workers to a still lower level. Organization, moreover, is frequently the means of compelling the public to pay some attention to the grievances of the oppressed laborer, and to exert its influence, which is very considerable, for reform. And the results of past attempts to organize effectively the class that we are considering have, on the whole, been encouraging. "Trade Unionism," says John Mitchell, "has been successful in raising one trade after another from the profound slough of unskilled, unorganized, and unregulated labor. Much work which was formerly absolutely unskilled and at which men were employed a few hours at a time, to be taken on or discharged, fined or suspended at will, has now become organized so that the men secure fair wages, and by reason of that very fact earn and deserve them."<sup>1</sup> Two notable examples are furnished by the garment workers and the anthracite coal miners. The former are apparently among the most helpless subjects for organization, and yet they have by this means achieved very substantial gains.<sup>2</sup> The union of all the classes of workers employed in the anthracite mining industry enabled them to carry on two great strikes within two years, the conse-

<sup>1</sup> Op. cit., p. 170.

<sup>2</sup> Cf. "The Sweating System," by Henry White, in Bulletin No. 4 of the Bureau of Labor.

## OBLIGATION OF THE LABORER

quences of which were an immense improvement in the condition of all of them, from the highest to the lowest. This particular Labor Union is a good example of the type of organization that will prove most effective for the underpaid. The Industrial Union — so called because it embraces all the employees of a given industry instead of being confined, as is the Trade Union, to those who work at a given trade or occupation — by making the cause of any one section the cause of all, enables the low-paid and unskilled to command the active co-operation of the higher groups, and therefore to increase immeasurably their fighting power. It affords a splendid opportunity to the workers to create a real brotherhood of labor in which the strong will help to bear the burdens of the weak. And present indications are that it will before long become the prevailing form of labor organization in America.

Of the various forms of self-help discussed in this chapter, "sexual self-restraint" is in practice immoral and anti-social; the increase of productive efficiency, the practice of saving, and the exercise of temperance are more or less effectual in individual cases; while organization provides the only method from which anything like general results can be expected. It will not by itself obtain a Living Wage for all the underpaid, but it will accomplish more in this direction than all other efforts that the laborer can make put together.

## CHAPTER IX

### THE OBLIGATION OF THE STATE

The policy of non-intervention false in theory and discredited by experience. Concrete effects of governmental restrictions. As the protector of natural rights, the State ought to compel employers to pay a Living Wage. The opinion of economists concerning the economic feasibility of minimum wage legislation. The main objections prove too much and have been refuted by experience. Minimum wage laws in various countries. The situation in the United States. The prospects for this species of legislation.

The obligation of providing the laborer with a Living Wage has been fully outlined in its individual and class aspects. There remains only the question of the extent to which it rests upon the State. That baneful heritage of the eighteenth century, the doctrine that a minimum of State regulation of industry means a maximum of industrial freedom for the individual, no longer counts any considerable number of adherents. It is demonstrably false in theory, and it has been completely discredited in practice. Negatively, liberty is absence of restraint; positively, it is the power to act and to enjoy. Now the restraints to action and enjoyment are not all political and legal; consequently the individual may

## OBLIGATION OF THE STATE

possess the fullest immunity from governmental interference, and yet be hindered by some other restraints, such as, the strength, cunning, or selfishness of his fellows, from doing and enjoying those things that are essential to reasonable life. Whenever this happens, the absence of State intervention means the presence of insuperable obstacles to real and effective liberty. In a word, political and legal freedom are not an adequate safeguard to the welfare of the individual. As the Comte de Mun told the French Chamber of Deputies: "Liberty does not consist in a theoretical right, but in the possibility of exercising it. The power to be free, in a régime which puts the workingman's life at the mercy of supply and demand; which exposes himself, his wife, and his children to the hardships of a competition that knows no moderation; which sets no limit to his exploitation except the interests of those who employ him,—the power to be free in such conditions, when the need of subsistence is so pressing as to permit of no waiting, no choice, no hesitation, does not exist and consequently the laborer is not free."<sup>1</sup> The economic history of the nineteenth century furnishes abundant proof of these statements, and an overwhelming refutation of the non-intervention theory. Perhaps the clearest and most logical instance is to be found in the conditions prevailing in the mines and factories of England before the passage of the Factory Acts.<sup>2</sup>

<sup>1</sup> Cited in Max Turman's "Le catholicisme sociale," p. 101. Cf. the excellent analysis in chap. XI of Ely's "Evolution of Industrial Society."

<sup>2</sup> See the references given in chapter I.



## A LIVING WAGE

Some of the opponents of State intervention in industry may be conveniently classed with the juvenile bully who resents the "interference" of parent or teacher in his relations with younger and weaker boys, and with the burglar or highwayman who objects to the activity of the policeman. These are the possessors of superior bargaining power who realize that if government will only let them alone they will be able successfully to exploit their weaker fellows. Their opposition is natural in the same sense that selfishness is natural. Those who oppose State regulation of industry on higher grounds than self-interest usually misconceive its concrete effects. From this point of view, laws may be divided into two classes: Those which actually restrict the liberty of all or a majority of the citizens; and those which limit the freedom of all potentially, but of only a few actually. The first class regulates the simpler, more frequent, and more general activities of every-day life, and puts some practical restriction on the freedom of nearly every person. Yet they bring to him more freedom than they take away. For example, the ordinance forbidding a man to monopolize the street or the sidewalk curtails to that extent his liberty, but secures him the larger liberty of immunity from the inconvenience that would be produced by similar unreasonable conduct on the part of his fellows. Jevons has well said that, "the modern English citizen who lives under the burden of the revised edition of the Statutes, not to speak of innumerable municipal, railroad, sanitary, and other by-laws, is after all an infinitely freer as well

## OBLIGATION OF THE STATE

as nobler creature than the savage who is always under the despotism of physical want.”<sup>1</sup> And the more numerous and complicated social relations become, the greater will be the necessity for regulation, and the larger will be the practical freedom that will result from wise regulation. The second class of restrictions applies theoretically to all the citizens, but practically impedes the liberty or activity of comparatively few, because it has to do with actions that are beyond the reach of the great majority. A law that forbids one hundred persons to do something that ninety-nine of them could never have done in any event, will not deprive the ninety-nine of any valuable freedom. For instance, a statute compelling all employers of railway labor to pay a certain minimum of wages, or to carry goods and passengers at certain maximum rates, would limit the freedom of all persons who owned or operated railroads; but since those who are or can hope to become employers form but a small proportion of the whole number of persons engaged in and affected by this industry, the liberty of the great majority would not be curtailed in any vital way. On the contrary, the latter section of the community would secure a wider measure of freedom in larger economic opportunities. Now, it is to this class of regulations that all the more moderate proposals for increased State intervention belong. They would enlarge the concrete freedom of the majority, and

<sup>1</sup> “The State in Relation to Labor,” p. 15. Cf. the keen criticism of the “police theory of the State” in Huxley’s essay on “Administrative Nihilism.”

## A LIVING WAGE

diminish that of the minority. They would affect not so much the legal independence of the individual as the distribution of economic opportunities among different groups of individuals.

As an abstract proposition, the State has both the right and the duty to compel all employers to pay a Living Wage.<sup>1</sup> The function of the State is to promote the social welfare. The social welfare means in practice the welfare of all individuals over whom the State has authority; and the welfare of the individual includes all those conditions that assist in the pursuit of his earthly end, namely, the reasonable development of his personality. The primary business of the State, then, is to protect men in the enjoyment of those opportunities that are essential to right and reasonable life. They may be summed up in the phrase, natural rights. In addition to this, the State is charged with the obligation of promoting social prosperity. That is to say, its task is not merely to provide men with the opportunities that are absolutely essential to right living, but also to furnish as far as practicable the conditions of wider and fuller life. Since man's capacity for progress is indefinite, the State will fail in its mission of furthering social welfare unless it does something toward securing to him the external conditions of something more than the minimum of reasonable personal development. State activity in the first sense is mainly protective and restrictive; in the

<sup>1</sup> Cf. Vermeersch, "*Quaestiones de Justitia*," pp. 581, 582; Lehmkuhl, "*Theologia Moralis*," I, p. 715, 9th ed.; Pottier, "*De Jure et de Justitia*," pp. 262, 263; Pope Leo XIII, Encyclical on the Condition of Labor.

## OBLIGATION OF THE STATE

second, auxiliary and co-operative.<sup>1</sup> Now, a law requiring employers to pay a Living Wage would evidently be an instance of State activity in the primary sense, for it would be an attempt to protect natural rights, and to provide one of the essential conditions of reasonable human life. Even those who hold that the sole function of the State is to safeguard individuals against violence and injustice, in other words, to protect life and property, could logically admit that the enactment of such a law would not be an undue exercise of power. To compel a man to work for less than a Living Wage is as truly an act of injustice as to pick his pocket. In a wide sense it is also an attack upon his life. An ordinance prohibiting this species of oppression would, therefore, be a measure for the protection of life and property.

When the first edition of this book was in preparation (1905) only two economists could be found who had discussed the feasibility of enforcing a Living Wage by law. The verdict of both was in the negative. To-day the great majority of American economists are of the contrary opinion. They have come to see that the arguments against the legal minimum wage are unsound in theory and have been refuted by experience.

Almost all the economic objections may be reduced to the following: Any increase in wages brought about by a minimum wage law will be

<sup>1</sup> For discussions of the functions of the State, see Bouquillon, "*Theologia Moralis Fundamentalis*," pp. 445-450, 3d ed.; Willoughby, "*The Nature of the State*," *passim*; and Lilly, "*First Principles in Politics*," *passim*.

## A LIVING WAGE

passed on to the consumer in the form of higher prices; whence will follow a decreased demand for goods and for the labor that makes the goods; hence, the net result will be a diminished amount of employment.

One obvious answer to this argument is that it is quite as valid, or as invalid, against any other method of increasing wages as it is against the method of legislation. It would condemn alike the efforts of the trade union and those of the benevolent employer. The direct and specific reply is that the argument ignores certain very pertinent economic facts. Besides increased prices, there are three other sources from which to derive the increase in wages required by a minimum wage law. They are: the increased productive power of the better paid and better fed workers; the improved methods of production introduced by the employers to meet the increased costs; and a reduction of profits, through the elimination of the less efficient directors of industry, and sometimes through the compulsory acceptance of lower profits by many employers. Where these three factors are not sufficient to provide the additional wages, there will undoubtedly occur some increase in prices. Nevertheless, there need not follow a falling off in the aggregate demand for goods. The smaller amount taken by some consumers may be more than offset by the increase in the purchases of those workers whose remuneration has been increased by the minimum wage law.

This analysis of the situation is amply supported

## OBLIGATION OF THE STATE

by experience. Minimum wage laws have been in operation in the state of Victoria, Australia, since 1896. They have been gradually extended in that quarter of the world, until to-day they are practically universal throughout Australasia. First introduced into Great Britain in 1910, they apply at present to a very large proportion of the industries of that country. In the United States, the first minimum wage law was that of Massachusetts, enacted in 1912. To-day similar laws are on the statute books of fourteen other states and the District of Columbia. Within the last three years, a minimum wage law has been adopted and put into operation in Manitoba. Speaking generally, we may say that in none of these states and countries have the objections urged against this legislation been proved valid by experience, and that in practically all of them the success of the laws has exceeded all expectations.

The situation in the United States with regard to minimum wage legislation is peculiar in three important respects. First, the laws already enacted apply only to women and children; second, the provision in our Federal Constitution and in most of our state constitutions forbidding persons to be deprived of life, liberty or property without due process of law, was for a long time thought to be fatal to any minimum wage law, and probably is still an obstacle to legislation of this sort on behalf of adult males. Among the main reasons why the existing laws have been restricted to women and minors are this question of constitutionality, the fact that an

## A LIVING WAGE

exercise of legislative power on behalf of exploited women and children seems to the average man more reasonable and more necessary than a similar measure for adult males, and the still prevailing impression that the latter are able to take care of themselves. As regards women and minors, the constitutional question has happily been solved by the decision of the United States Supreme Court, April 9, 1917, sustaining the finding of the Oregon Supreme Court in favor of this species of legislation. Whether a minimum wage law for men would be likewise declared constitutional at this time or in the near future, is a question that cannot be confidently answered beforehand. In any case, the prospects are much more favorable than they were ten years ago.

All the signs of the times point to a rapid extension of minimum wage legislation in all civilized countries. For the principle that wages ought not to fall below the level of decent living is now all but universally recognized; the principle that it is a proper function of the State to protect the worker against such injustice is likewise quite generally accepted; and all unbiased observers realize that the majority of the underpaid workers cannot be lifted out of that condition within a reasonable time except by the method of legal enactment.<sup>1</sup>

<sup>1</sup> During the last ten years a very extensive literature has been produced on the subject of the minimum wage. An excellent presentation of the matter, with many references, is to be found in Commons and Andrews' "Principles of Labor Legislation," pp. 167-200.



## CHAPTER X

### SUMMARY AND CONCLUSION

Résumé of the main argument. Three important conclusions: (*a*) a complete scheme of distributive justice is exceedingly difficult to formulate; (*b*) a universal Living Wage would mean an immense improvement in social and industrial conditions; and (*c*) the realization of it is less difficult than the realization of any other plan that would yield equal results.

The main argument of this volume may be summarized as follows: the laborer's right to a Living Wage is the specific form of his generic right to obtain on reasonable conditions sufficient of the earth's products to afford him a decent livelihood. The latter right is, like all other moral rights, based on his intrinsic worth as a person, and on the sacredness of those needs that are essential to the reasonable development of personality. Among the things to which these needs point there is included a certain amount of material goods. A man's right to this indispensable minimum of the bounty of nature is as valid as his right to life: the difference is merely in degree of importance. Now when the man whose social and economic function is that of a wage earner has expended all his working time

## A LIVING WAGE

and energy in the performance of some useful task, he has fulfilled the only condition that in his case can be regarded as a reasonable prerequisite to the actual enjoyment of his right to a decent livelihood. The *obligation* of providing him with the material means of living decently rests in a general way upon all his fellow men. That is to say, they are all under moral restraint not to do anything that would be an unreasonable interference with his access to these means. However, it is only those persons who are in control of the goods and opportunities of living that are practically within his reach, who can effectively hinder or promote his enjoyment of the right in question. When they prevent him from peaceably getting possession of the requisite amount of goods, they are morally responsible for his failure to obtain a decent livelihood. Their action is as unjust as that of the majority of the first occupants of a No-man's Land who should force the minority to work for a bare subsistence. This specific obligation of the class of persons that we are considering falls primarily upon the employer; for his economic position as direct beneficiary of the laborer's exertion and as payer of wages, renders this the only practicable outcome of any reasonable division of the community's opportunities of living and of the corresponding responsibilities. Nor can the employer escape this duty of paying a Living Wage by taking refuge behind the terms of a so-called free contract. The fact is that the underpaid laborer does not *willingly* sell his labor for less than the equivalent of a decent livelihood, any more than the

## SUMMARY AND CONCLUSION

wayfarer willingly gives up his purse to the highwayman. It is the superior *economic force* (which consists essentially in the ability to wait, while the laborer must go to work to-day or starve) possessed by the employer that enables him to hire labor for less than a Living Wage. And the employer who can afford to pay a Living Wage is no more justified in using his superior economic strength in this way than he would be justified in using superior physical strength to prevent the laborer from taking possession of a sack of flour or a suit of clothes that the latter had bought and paid for. In both cases the laborer is deprived by superior strength of something to which he has a right. As a determinant of rights, economic force has no more validity or sacredness than physical force. The other economic classes in the community, the landowner, the loan-capitalist, the consumer, and the man of wealth, share the responsibility of providing the laborer with a decent livelihood in a secondary degree, and in accordance with the nature and possibilities of their several economic positions. Finally, the State is morally bound to compel employers to pay a Living Wage whenever and wherever it can, with a moderate degree of success, put into effect the appropriate legislation. ✓

The discussion carried on and the considerations suggested in the preceding chapters point to three important conclusions which may briefly be set down here. The first is that the determination of *complete* justice in the field of economic distribution is bewilderingly difficult. According to the view of

## A LIVING WAGE

the writer, the order of importance among the various canons of distributive justice is as follows: the needs of the worker; the cost of preparation for tasks requiring skill of any kind; the legitimate risks of necessary business enterprises; the proportion of individual energy expended by the worker; the disagreeableness of the work; the productivity of labor; and the productivity of property, whether land or capital. Most persons would probably agree that in any completely just scheme of distribution all of these factors would have to be taken into account, but not all who accepted the list would subscribe to this order. And those who accepted this order, or any other order, would find it well-nigh impossible to determine in any particular case the precise degree of importance that ought to be attributed to one factor, or canon, relatively to the others. For example, men might agree that disagreeableness of work is a higher title to wages than productivity, and yet disagree as to the precise ratio of importance that should be held to exist between these two standards. Even if all the difficulties involved in the problem of a completely just remuneration of the different agents of production were removed, there would still be the question of the just claims of the consumer. Are all the benefits resulting from improvements in production to go to the agents of production? or, should the consumer share them in the form of lower prices? and if so, in what proportion? Here we have a conflict between the productivity of the producers and the needs of the consumers which will occur

## SUMMARY AND CONCLUSION

continuously, and for the adjustment of which it is practically impossible to lay down objective rules.

The second conclusion to be drawn is that the universal application of the Living Wage principle would cause an immense improvement in our industrial and social conditions. It would mean an increase in various degrees, in the remuneration of a very large proportion, not improbably a majority, of both the male and female workers in all the countries of the world. It would go very far toward removing those plague spots of our cities in which thousands upon thousands of human beings are able to obtain only a fraction of the requisites of physical health and comfort, and are foredoomed from infancy to mental and moral degeneracy. Of the millions who are now above these lowest economic depths and yet below the plane of a decent livelihood, thousands would be freed from the necessity of working at an age at which they ought to be in school; thousands who at present can command only the bare necessities of living would realize for the first time the meaning and the blessings of moderate comfort; thousands of men who are able to provide for the present wants of themselves and families, but can lay by nothing for the contingencies of the future, would be lifted out of this depressing condition; and thousands of young men who cannot now contemplate marriage would be able to become heads of families and live as normal human beings. For a large proportion of those who are at present underpaid, a Living Wage would prove a stepping-stone to a still higher condition.

## A LIVING WAGE

Our "perpetual danger of overproduction" would be greatly diminished, owing to the enlarged consuming power of the wage-earning class. For the same reason a demand would be created for the services of the greater number of these who are now constantly unemployed. Finally, the nation's gain in physical, mental and moral health, and in the increase of contentment and good feeling among its citizens, would ensure its continued pre-eminence among the world's happiest, most vigorous, and most progressive peoples.

In the third place, it may be safely asserted that an earnest and systematic endeavor to extend the Living Wage principle throughout the entire field of industry, would be followed by a larger measure of beneficial results than any other method of industrial reform that could be pursued. The means that may be efficaciously employed in this endeavor are briefly, moral suasion and social effort. Both of them are now unduly magnified and now unduly minimized by partisan advocates. We are not infrequently assured that, "only religion will solve the labor question." Most certainly it will not be permanently and adequately solved *without* religion, that is, without the aid of religious agencies and a larger infusion of the religious spirit into the minds and hearts of men; but neither will religion suffice in the absence of a detailed application of moral principles to the relations of employer and employee. Men may be religious in the ordinary meaning of the term, and yet remain so thoroughly dominated by the ethical code of unlimited competition that they



## SUMMARY AND CONCLUSION

are blind to the many forms of moral wrong which that code sanctions. There are thousands of employers in every church organization who wish to live up to the standards of their respective denominations, and believe that they are succeeding fairly well, who nevertheless feel no conscientious scruples when they pay their employees much less than a Living Wage. They see no wrong in this, for are they not paying the current rates? In other words, they conform to the standard of business ethics, instead of to the standard of Christian ethics. The moral suasion that will produce results implies earnest, continuous, and enlightened activity on the part of public teachers and moulders of public opinion. If clergymen would give as much attention to preaching and expounding the duty of paying a Living Wage as they do to the explanation of other duties that are no more important, and if they would use all the power of their ecclesiastical position to deprive recalcitrant employers of the church privileges that are ordinarily denied to persistently disobedient members; and if public speakers and writers who discuss questions of industrial justice would, *in concrete terms*, hold up to public denunciation those employers who can pay a Living Wage and will not, — the results would constitute an ample refutation of the libelous assertion that employers cannot be got to act justly by moral suasion. They have never been made to feel a fraction of its power. The term, social effort, is here used to describe the activity both of private associations, such as Labor Unions, and of the State. It is true that the ef-



## A LIVING WAGE

iciency of social effort is limited by the character of the individuals through whom the effort is made. If individuals have not an intelligent grasp of the ethical principles involved in the Living Wage question, and the will to apply these principles in practice, their achievements as an organization will be seriously diminished. But it is also true that organized effort will add very materially to the results that can be accomplished through moral suasion addressed to individuals. This very obvious general truth is superlatively true in our time, when man's social relations have become so numerous and so complex. Both methods are necessary. There must be an appeal to the minds and hearts of individuals, and the fullest utilization of the latent power of organization and social institutions. A reasonable and sustained endeavor to employ the two methods in extending the Living Wage principle will accomplish more for the laboring class, especially for its poorest-paid members, than a like amount of effort expended in any other way. Speaking comparatively, the remedy is efficacious, and the means of putting it into effect practicable.

685

---

Printed in the United States of America.



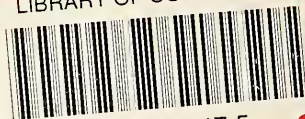








LIBRARY OF CONGRESS



0 013 730 647 5